

## 9 Program Implementation

In the previous chapters, we have presented the VEAA Initiative and how it will transform Commonwealth operations. We described that by reengineering and re-solutioning the enterprise applications architecture, the Initiative will lead to superior enterprise resource management and improved government performance.

In this chapter, we describe how Team CGI-AMS will join with the Commonwealth to realize this vision. First, we present a Roadmap for modernizing the Commonwealth's enterprise applications architecture. This Roadmap begins with a series of activities and projects that will produce quick wins, establish a foundation for future projects, and generate revenues to fund them. We then build on this foundation by presenting a plan for sustained improvements and benefits over the life of the Initiative.

**"It's not all about the economy, stupid. It's all about the people."  
—an Internet blogger**

Our Roadmap in Exhibit 9-1 shows how Virginia can go "from now to wow"—but a Roadmap alone is not enough. A framework of strong governance and powerful, tested methodologies are required to bring excellent planning into on-the-ground operations. Thus, we propose in this chapter our model for governing the VEAA Initiative and several technical methodologies Team CGI-AMS will use to conduct the projects. Recognizing that the success of technology-based projects always—not often, but always—depends on addressing the human dimension of the business, we also present our plan for managing how change will affect the Commonwealth's employees. The key elements of our chapter are shown in Exhibit 9-1 below.

**Exhibit 9-1 Chapter Roadmap**

Section	Contents
9.1 Reengineering and Re-solutioning Roadmap	Displays projects on our proposed Roadmap, ordered to deliver greatest revenue, improved processes, efficiency, productivity, and service delivery.
9.2 Program Governance	Describes our vision and core concepts; offers a structured governance approach and decision making path to avoid bottlenecks and iteratively add projects to the Initiative.
9.3 Program Management Methodology	Describes the two primary methodology sets we will apply to the VEAA Initiative: Engagement Management and Project Implementation Methodologies
9.4 Project Implementation Methodologies	Describes our project implementation methodologies: Concert, our framework for creating and enhancing IT systems in a consistent and effective manner, and selected methodologies that will be used depending on project needs.
9.5 Change Management for People	Describes our change management for people plan for managing how the Initiative will affect Commonwealth employees.

Because of the numerous requirements for proposed methodologies for reengineering and re-solutioning (pages 7-10 of 11 of Proposal Preparation Statement of Work), we have provided a cross-reference table showing where the required topics are addressed.

**Exhibit 9-2 SOW Requirements Addressed in Chapter Sections**

<b>SOW topic</b>	<b>Section addressing topic</b>
Organization	9.2 Program Governance
Scope Definition	9.2.2.5 Decision Making
Scope Expansion/Contraction	9.2.2.5 Decision Making
Efficiency and Cost-Effectiveness	9.2.2.2 Program Management
Change Management for People	9.5 Change Management for People
Partnership Priorities and Goals	9.2 Program Governance, 9.2.3 Project Evaluation and Approval Process
Conflict Management	9.2.5 Dispute Resolution Process
Understanding the Process (Business)	9.4.2.3 Business Requirements Definition
Reengineering Techniques and Approaches	9.4.2.2 Business Process Management
Re-solutioning Techniques and Approaches	9.1.3.1.4 Enterprise applications requirements analysis, COTS software review
Risk Assessment and Mitigation	9.3.1.2.2 Risk Management
Implementing Planning Techniques	9.3.1 Engagement Management
Keeping People Trained	9.5.2.3.3 Skills and Training
Performance Management	9.2.4 Performance Management
Approach to Ongoing Support	Chapter 7 – Applications Management
Disposition of Approved/Active Projects	9.1.1 Building the Roadmap
Service Level Expectations/Agreements	Chapter 7 – Applications Management
Related Policies, Procedures, and Standards	9.2 Program Governance

## 9.1 Reengineering and Re-solutioning Roadmap

This section offers the Commonwealth a Roadmap for the Virginia Enterprise Applications Architecture (VEAA) Initiative. We believe that following this Roadmap takes Virginia “from now to wow,” as envisioned by the Council on Virginia’s Future. We recognize that this will be a deliberate and focused journey to modernize the enterprise applications architecture that will allow the leadership of Virginia to make the most cost-effective and efficient use of enterprise resources.

**Our proposed Roadmap preserves Virginia's decentralized environment while greatly improving the efficiency and effectiveness of the enterprise.**

**Commonwealth business owners are expert and will verify that the Roadmap delivers the highest priority solutions first.**

The Roadmap is based on our understanding of Virginia's current opportunities for business process reengineering and re-solutioning, our assessment of the priorities for reengineering and re-solutioning focus, and our expertise with the available solutions in the marketplace capable of meeting these business process needs. The Roadmap preserves Virginia's choice to maintain a decentralized model for its organization while improving the efficiency and effectiveness of its operations throughout the enterprise.

As described throughout this proposal, the results of the Due Diligence process verified that modernizing the Commonwealth's administrative applications and business processes using an enterprise perspective is both warranted and essential to retaining Virginia's "best managed state" status.

During the EA Due Diligence effort, it was abundantly clear that the Commonwealth's business owners have a keen grasp of the current business process problems, based on decades of successfully delivering key business processes. For this reason, we do not deliver this Roadmap in concrete but rather as a proposed starting point. We look forward to working with Commonwealth business owners to further understand priorities and to bring to bear our expertise, as well as the best solutions and best vendors available in the marketplace. We believe that our proposed solutions will allow Commonwealth business owners to continue to provide high quality services but at lower cost.

### 9.1.1 Building the Roadmap

Each of the projects on our proposed Roadmap focuses on improving processes, efficiency, productivity, and service delivery. In selecting projects, we also considered how the Initiative could have the greatest impact, as represented by these criteria:

- **Material redacted for proprietary content**
- **Quick wins.** Projects that can be completed quickly (within six to twelve months) and provide measurable improvement to enterprise business processes are given highest priority. We believe it is important to deliver a quick win to the Commonwealth's enterprise applications community to gain credibility and confidence for future projects.
- **Foundational.** Projects that are foundational in nature, for example, a common enterprise business intelligence framework and a service-oriented architecture, are given higher priority. Since this work is proposed as a toolset to build the applications architecture, beginning this work early is necessary to allow future projects to plug in. The foundational projects are described in Chapter 8, Cross-cutting Enterprise Enablers.
- **Greatest "pain."** Projects that address commonly viewed and widely accepted enterprise business process improvement needs (those processes that produce the most "pain") are given higher priority. We believe it is important that the VEAA Initiative quickly address business process problems that are commonly recognized by the enterprise application business owners.

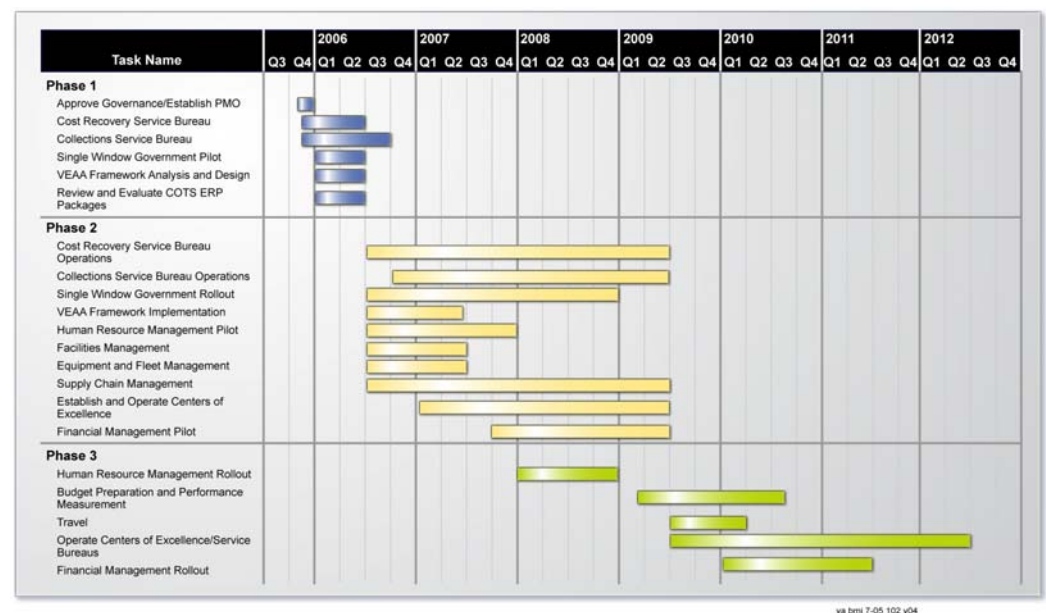
The Roadmap will evolve through a flexible, partnership-driven process.

- **Cost savings.** Within the prioritization above, projects that deliver the highest cost saving and/or the most improved efficiency are given priority.

Team CGI-AMS recognizes that these prioritization criteria may change—and certainly the Roadmap will evolve through the flexible, partnership-driven governance process for the VEAA Initiative that we are proposing. In this way, active VEAA Initiative projects will address the highest priority business processes as identified by VEAA Initiative governance structures (described in Section 9.2).<sup>1</sup> We look forward to the opportunity of working with the Executive Board and other Commonwealth business owners to arrive at a Roadmap that best fits Virginia’s enterprise applications needs.

Exhibit 9-3 provides a graphical depiction of the proposed initial VEAA Initiative Roadmap.

**Exhibit 9-3 VEAA Initiative Roadmap Creates the Enterprise**



During Due Diligence, we observed that there were several new applications or application upgrades in development or in the process of being deployed. In addition, we reviewed the list of ITIB-approved projects. Our proposed approach recognizes the decentralized nature of Commonwealth operations and offers a phasing strategy and flexible system architecture that, among other things, avoids any interference with these other projects. Thus, our proposal does not depend on the completion of any active project nor does it require any project to be terminated. Rather, we will assist the Commonwealth in assessing the

<sup>1</sup> Our proposed governance conforms to the existing VITA and ITIB review and approval processes. We have chosen to embrace rather than duplicate this important step in the approval process, as a means to tighten the linkages between the Infrastructure Modernization and the Enterprise Application development process. In addition, CGI-AMS acknowledges that its internal policies, procedures, and standards in effect as of the date of this Detailed Proposal comply with the relevant policies, procedures and standards of the Commonwealth.

cost/benefit and schedule of any such project in light of this Initiative, and the Commonwealth will determine the appropriate disposition for each one. (See Chapters 3-6 for specific observations on the impacts of proposed or ongoing projects in each functional area.)

### 9.1.2 Importance of Pilot Projects

Initially, the VEAA Initiative must gain credibility and confidence from the Commonwealth enterprise applications community. As described earlier, quick win projects will go a long way toward meeting this objective. Also, based on our Due Diligence observations and our knowledge of Virginia's heavily decentralized environment, we believe that a "big bang" implementation methodology would be extremely difficult. Instead, our proposed Roadmap encourages initial pilots for complex enterprise solutions, which include strategically selected departments and strategically selected functionality. After successful pilot implementations, we then roll out these new solutions to other carefully selected departments.

**A pilot approach provides the flexibility, inclusiveness, and collaboration at all levels necessary for success.**

The pilot approach is used throughout the proposed Roadmap and provides the flexibility, inclusiveness, and collaboration at all levels necessary for success. As pilots are executed, lessons learned gathered from all levels of the solution population will be incorporated into the rollout planning.

Also, the pilot approach will provide a much needed source of momentum for the Commonwealth staff, encouraging them to enlist in the successful initiatives and generating positive and enthusiastic support for additional projects. The Commonwealth staff are knowledgeable and committed to doing the best job they can, every day. We believe that our experience during the Due Diligence process has provided some excellent insight into how to ignite employee participation and generate even more ideas for improvement.

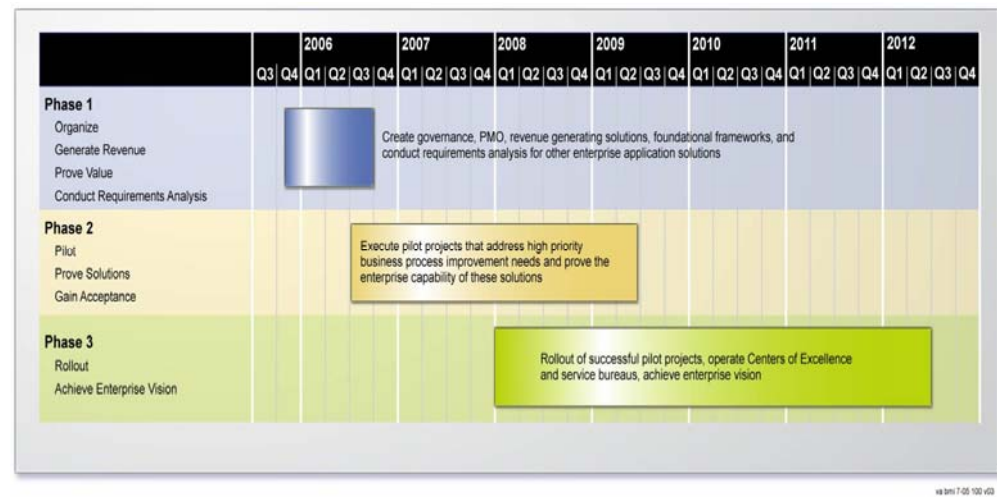
### 9.1.3 Phased Implementation Approach

**A three-phase approach lowers risk and makes certain that the ultimate enterprise solution fits Virginia's needs.**

As requested in Section 2.2.2 of the Comprehensive Master Services Agreement, Team CGI-AMS will follow a phased approach for implementing a new enterprise application solution. The first phase will consist of establishing the VEAA Initiative governance structure and processes, launching the revenue-producing projects, implementing the first foundational architecture frameworks for the VEAA Initiative, and undertaking the initial analysis necessary to scope and price the second phase of implementation services.

A second phase of pilots followed by subsequent rollout(s) of new solutions is a prudent approach tailored to Virginia's decentralized environment. We also recommend a third phase that rolls out successful pilot implementations. The revenue-producing projects and PMO continue throughout. A three-phased approach allows the Commonwealth to continually measure the progress and success within a single Phase, as well as measure the quality and success of the entire effort. Our approach is illustrated in Exhibit 9-4.

## Exhibit 9-4 VEAA Three Phase Approach



### 9.1.3.1 Phase 1 – Organize, Generate Revenue, Prove Value

During Phase 1, Team CGI-AMS proposes four elements:

- A. Creation of the VEAA governance structure, which includes the Executive Board, the Steering Council, and a VEAA Project Management Office (PMO).
- B. Launch of revenue-producing projects: Cost Recovery Service Bureau and Centralized Collections Service Bureau
- C. Implementation of first foundational framework to support the enterprise Applications architecture: Single Window Government framework
- D. Enterprise applications requirements analysis and review of COTS software solutions.

#### 9.1.3.1.1 Establish Governance and PMO

**Team CGI-AMS brings established project management methodologies that have evolved over decades of successful delivery of complex, enterprise application implementations for state governments.**

One of the initial activities within Phase 1 of the VEAA Initiative is the establishment of the governance structure and processes and the Project Management Office that will administer these processes. The components of the governance structure are described in detail in Section 9.2 and further detailed in Schedule 4.3 to the CMSA attached to this proposal in Appendix C. Team CGI-AMS brings to the Commonwealth established project management methodologies that have evolved over decades of successful delivery of complex, enterprise application implementations for state governments. Team CGI-AMS will work with our Commonwealth counterparts to establish a governance model that conforms to the Commonwealth's existing governance policies (such as the COV ITRM) and integrates into existing Commonwealth governance structures (such as the ITIB and VITA PMO).

#### 9.1.3.1.2 Implementation of Revenue-Producing Solutions

**Section redacted for proprietary content.**



#### *9.1.3.1.3 Implementation of Foundational Frameworks*

Phase 1 will include the planning and design of “foundational” projects necessary to build the framework for the VEAA. As described in Chapter 8, this framework includes our Single Window Government (SWG) architecture, a Service-Oriented Architecture (SOA), and a Business Intelligence Architecture. These architectures will provide the VEAA framework that facilitates integrating legacy applications and data into a single access point across the enterprise.

- The Single Window Government solution is a proven approach to modernizing the service delivery needs of the Commonwealth and has been successfully deployed in both New Brunswick, Canada and in Suffolk County, U.K. We have already begun to find a strong match between the Commonwealth's Enterprise Business Architecture and the architecture of this truly unique means of delivering services to the Commonwealth's constituents. SWG drives an evolution from process emphasis within various operational silos, to an enterprise-wide customer-focused service emphasis that joins up logically related services across silos.

The Phase 1 pilot will include a web-enabled employee evaluation management solution. This pilot will be a proof of concept for the Commonwealth, showing how efficiencies could be created in constituent service delivery. The subsequent rollout of the SWG solution in Phases 2 and 3 is capable of generating millions of dollars in savings.

#### *9.1.3.1.4 Enterprise Applications Requirements Analysis, COTS Software Review*

**Phase 1 will include functional requirements analysis necessary to evaluate and select COTS solutions.**

As part of Phase 1, Team CGI-AMS proposes to conduct the functional requirements analysis for the proposed enterprise applications. Team CGI-AMS will present a business case for conducting the functional requirements analysis for each of the enterprise applications business areas (e.g., Human Resource Management, Financial Management, Facilities Management, etc.). The business case will describe the need, benefits, and plan for conducting the functional requirements analysis. Once the governance process approves the business case, the functional requirements analysis effort will begin.

Conducting functional requirements analysis for all enterprise solutions as a single effort during Phase 1 provides the opportunity to identify a single ERP COTS solution with the essential functionality required for most business

processes. If a single ERP COTS package adequately meets Virginia's needs, then we will factor this into our Phase 2 implementation planning and rollout schedule. If the Commonwealth determines, after reviewing the functional requirements analysis against the available ERP COTS, it would rather use a "best of breed" approach because a single ERP COTS package cannot meet its needs, then Team CGI-AMS will prepare a plan that reflects this direction.

After completion of the functional requirements analysis, the business case will be updated with the results. The updated business case will provide a recommended course of action, describe the product selection process (as applicable), the business process reengineering targets, and a proposed implementation plan. The implementation plan will provide estimated implementation costs including Commonwealth resource requirements for the enterprise application solution. The implementation plan will also include a detailed requirements analysis activity that will be conducted with the chosen COTS enterprise applications. At the conclusion of the functional requirements analysis effort, the VEAA will have completed the business cases for all the proposed enterprise application solutions. Based on the approved business cases, Team CGI-AMS will develop and propose a Phase 2 Implementation Plan.

After the successful completion of Phase 1, the VEAA will have highly efficient governance and project management processes, solutions that will generate new revenue for Virginia, and a selection of COTS ERP software based on developed functional requirements. Phase 1 will prove the value of an enterprise level approach to reengineering Virginia government's business processes and provide the momentum necessary for success in Phase 2.

### **9.1.3.2 Phase 2 – Pilot, Prove Solutions, Gain Acceptance**

During Phase 2, Team CGI-AMS proposes four major elements:

- A. Pilots of the initial enterprise applications solutions, described in detail in Chapters 3 through 7. The proposed implementation order for pilots of these critical enterprise capable solutions is based on the results of the Enterprise Applications Due Diligence effort. We recommend five pilots:
  - 1. Human resource management and payroll
  - 2. Financial management
  - 3. Integrated equipment and fleet management
  - 4. Facilities management
  - 5. Supply chain management, including integrated materials management.
- B. Building and implementation of the Service-Oriented Architecture and Business Intelligence Architecture
- C. Establishment of an Enterprise Applications Center of Excellence
- D. Expansion of the Single Window Government solution.

#### **9.1.3.2.1 Enterprise Application Pilots**

**Selecting the first pilots.** Within our proposed portfolio of enterprise application solutions, there are two enterprise applications which by far have the greatest impact on every agency within the Commonwealth: Financial

**Phase 2 includes pilots of enterprise capable applications in key areas such as Human Resource Management and Payroll, and Financial Management.**



Management and Human Resource Management and Payroll. Both of these enterprise applications impact the daily operations of every department.

After careful consideration, Team CGI-AMS proposes implementing an Integrated Human Resource Management and Payroll solution before implementing an integrated Financial Management solution. There is ample evidence to recommend replacement of CARS, but we do not recommend implementing a new financial system at the same time as we implement a new HR/Payroll system. Parallel implementations of this magnitude would impose considerable risk because of the overlap of the business processes that affect human resources, payroll, or financial management, the change management involved in replacing two critical solutions at the same time, and the practical limitation of the Commonwealth staff's availability for two large simultaneous projects without negatively impacting daily operations.

Instead, implementing these solutions in *sequential* pilots should be strongly considered by Virginia as the more prudent, risk-reducing approach.

We give the HR solution priority for these reasons:

- There is a common perception across the Commonwealth that the lack of integration between CIPPS and PMIS creates significant inefficiency. For example, agency staff must enter the same transaction twice: once into PMIS to record the transaction in the employee's personnel record and once into CIPPS to effect the employee's payroll change. Some agencies enter this data three times, because they must track employee time to a specific program or project.
- Unlike Financial Management where several large departments have implemented their own COTS financial management software (including Oracle and PeopleSoft), all departments are using the aging CIPPS and PMIS system for their human resource and payroll needs. The age of the current HR/Payroll systems presents a risk that must be addressed by a fully supported, enterprise-capable COTS solution.
- The Auditor of Public Accounts has identified lack of integration as a significant risk to the Commonwealth because "critical internal controls associated with integrated payroll and human resources systems are missing."<sup>2</sup> These control factors include how personnel and payroll data is managed at the agency level, and the need to establish a clear separation of duties between those who process HR transactions and those who process payroll transactions. Other critical control areas include access control to employee data ensuring that information is confidential and restricted, and management control for identifying who is authorized to make employee personnel and payroll changes.

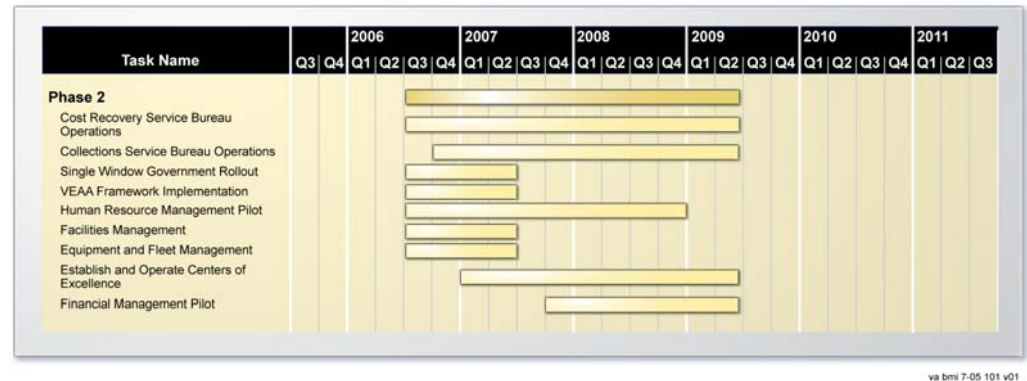
**Proposed order of implementation for all pilots.** Exhibit 9-5 provides the proposed order of implementation for the enterprise applications. Our Roadmap targets implementing human resource management (including payroll) on a

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<sup>2</sup> *Special Review of Payroll and Human Resource Systems*, October 2004. Auditor of Public Accounts, Commonwealth of Virginia.

calendar year basis (January 1) and financial management on a fiscal year basis (July 1).

**Exhibit 9-5 Phase 2 Order of Implementation**



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Assuming the integration of human resources management and payroll is the top priority enterprise application in Phase 2, the order of the other pilots will be determined through the VEAA Initiative governance process taking into consideration the impact of the other pilots on the HRM solution's implementation.

We have recommended parallel pilot implementations for enterprise application solutions that do not have the complexity and level of overlap of the Financial Management business processes. We have proposed that the VEAA team execute pilot implementations of an integrated Fleet and Equipment solution, as well as a Facilities Management Solution, and extend the integration and functionality of eVA in parallel with the human resource and payroll solution.

As indicated in Exhibit 9-5, after the successful pilot of the new enterprise capable integrated human resource and payroll solution, we recommend beginning the integrated financial management solution pilot. The planning and requirements definition efforts for the Financial Management implementation overlap with some of the human resource and payroll pilot activity. This proposed approach allows the VEAA Initiative to target the Financial Management implementation on a new fiscal year.

**9.1.3.2.2 SOA and Business Intelligence Frameworks**

In addition to the enterprise applications implemented in Phase 2, the business intelligence framework and the service-oriented architecture will be further refined and integrated across the selected Commonwealth legacy applications and the new VEAA solutions. The business intelligence framework will achieve enterprise level management reporting, and effective and efficient data integration across legacy systems, along with providing an efficient reporting tool across the Commonwealth enterprise application user population.

**A Center of Excellence will provide cost-effective, high quality application management of enterprise solutions**

#### *9.1.3.2.3 Enterprise Application Center of Excellence*

Also during Phase 2, Team CGI-AMS proposes to implement a cost-effective methodology for managing enterprise applications via an Enterprise Application Center of Excellence. The Center of Excellence will provide enterprise application management services for the new enterprise applications. If desired, the Center of Excellence can also assume responsibility for supporting the legacy applications that will be replaced by these new solutions. This approach will greatly reduce the risk in migrating from old solutions to new. Team CGI-AMS defines in general the enterprise application management services as follows:

- **Application Management Services** refers to emergency, corrective, and preventive maintenance: incidents related to application components or functionalities that were working yesterday and are not working today (i.e., error in payroll system, data errors, etc.). In addition, Team CGI-AMS will provide support for the processes that execute daily, nightly, weekly, monthly, quarterly, and annually to help make certain of their successful completion. This support will include the execution of these processes and the support necessary to facilitate the successful completion of the processes.
- **Application Enhancements** refers to adaptive and perfective maintenance: minor evolution to existing applications entailing an effort of less than 100 hours and which may or may not affect the functionality of the application (i.e., adding a new report, updating a table, etc.).

After the successful completion of Phase 2, the VEAA will have successfully implemented the frameworks necessary for integrating solutions across the enterprise, replaced aging legacy solutions with state-of-the-art, enterprise capable solutions, and implemented the new solutions for the target departments for Phase 2. These new solutions will be maintained and operated by a cost-efficient Center of Excellence. In addition, the revenue-producing projects implemented in Phase 1 will continue to generate revenues for the VEAA Initiative, and will fund the Phase 2 work and other critical Commonwealth of Virginia initiatives.

#### *9.1.3.2.4 Single Window Government Expansion*

Phase 2 includes implementation of the Single Window Government (SWG) solution for additional Commonwealth business processes. The Phase 2 SWG implementation should focus on consolidating the various ‘windows’ of government such that the citizen-customer is presented with a single window, enabling a view of and access to all services, irrespective of the access method, or channel chosen (physical, voice, Internet). The Executive Board will drive the full scope of activities involved in the SWG modernization and transformation process.

#### **9.1.3.3 Phase 3– Rollout, Achieve Enterprise Vision**

**Phase 3 will roll out successful pilots and deliver the full benefit of enterprise solutions.**

During Phase 3, the successful pilots will be rolled out to additional departments. To gain maximum return on the investment of the enterprise capable solutions implemented during Phase 2, many of the department-specific ERP solutions would move to the new enterprise solutions. Team CGI-AMS’s goal for the enterprise capable solutions is to build solutions that departments who have their

own ERP solutions will *want* to move to because of the VEAA's rich functionality, flexibility, and lower cost of ownership.

We hope to offer these departments the incentives needed to move all departments to the enterprise-wide solutions through cost-effective and efficient reengineered business processes. However, the pace of migration of these solutions to additional departments should be determined based on the enterprise applications ability to meet their needs, to do no harm to their existing systems' functions and features, and to increase customer service while lowering the Commonwealth's total cost of ownership.

At the end of Phase 3, Virginia will have a fully operational enterprise applications architecture. The VEAA will facilitate enterprise management oversight and control over enterprise business processes, integrate data across multiple systems to provide quicker and more efficient access to management information, and provide a single service-oriented architecture that all government employees and certain citizens access to request services.

#### 9.1.4 Beyond Phase 3 – Steady State, New Ventures

Beyond Phase 3, the Commonwealth and Team CGI-AMS will continue to look for enterprise business processes that may be “plugged” into the VEAA. Additional services to both citizens and employees will be added to the VEAA. We don't have a crystal ball to see what initiatives will be a priority in five, seven or ten years—but we are confident that the VEAA governance process and enterprise applications architecture will provide the backbone, flexibility, and efficiency to incorporate the Commonwealth's future enterprise business priority issues. These priority issues include federal and state legislative mandates and future technology that provides efficiencies over today's realities. The VEAA will also provide a proven, efficient upgrade path for Virginia enterprise applications' COTS system providers chosen during this Initiative.

The VEAA Initiative will actively and continually look to improve services to employees and citizens by continued evaluation of the effectiveness of introduced services. This will be evaluated internally within the Initiative as well as externally through surveys of customers and citizens.

#### 9.1.5 Summary

**The Roadmap  
provides a clear path  
“from now to wow!”**

**Our prudent, flexible  
approach will produce  
great wins for all  
stakeholders  
throughout the  
Commonwealth**

Our Roadmap offers Virginia a path to a “single window” to government services for all employees and citizens. The Roadmap recognizes that big bang implementations are too risky in enterprises as large as Virginia. Instead, a methodical, well planned pilot approach will provide the greatest value for Virginia and allow the Commonwealth to focus on the best tools to manage their decentralized environment. The ultimate enterprise application solution will be the solution that works best in Virginia's environment, not simply one that worked in another state facing a different set of business challenges.

The Roadmap also recognizes that one size does not fit all. The phased implementation approach allows the Commonwealth to make the right decisions on which departments to add to the new VEAA applications, when they should be added, or if some departments' existing applications are simply integrated into the VEAA. This prudent, flexible approach will produce a great win-win situation for all of Virginia's stakeholders.

## 9.2 Program Governance

### 9.2.1 Vision and Core Concepts

**This is not simply a matter of getting the job done; it's a matter of determining what the job is and leading the public and private partners along the way.**

Team CGI-AMS believes that the governance model of the Virginia Enterprise Applications Architecture Initiative is one of the most important elements of its success. In this proposal, we have presented an initial Roadmap for the VEAA Initiative. We anticipate adjustments to this Roadmap even as work begins to realize it. It will certainly evolve over the term of the partnership in reaction to new opportunities, changing business conditions, and even legislative mandates. This is not simply a matter of getting the job done; it's a matter of determining what the job is and leading the public and private partners along the way. The governance model must be able to meet this challenge. Even with substantiated business cases, a superior team, and the most modern methodologies, an initiative such as that envisioned for Virginia can still fail to achieve its business objectives without a governance structure that creates and drives the vision.

We believe that this perspective differentiates our Team and approach from that of our competitors, who typically rely on traditional, process-driven methods for program management that do not easily embrace the kind of public-private partnership that the PPEA requires, and that this Initiative demands and the Commonwealth deserves. The kind of knowledgeable, experienced commitment to partnership with the Commonwealth that Team CGI-AMS offers will greatly reduce the risk to the VEAA Initiative and bring the best of the best to bear for the Commonwealth.

We have proposed a governance structure firmly grounded in two core concepts: a risk and reward-sharing partnership to continually align goals and vision, and practical management disciplines that combine consistency with flexibility and emphasize results.

**Partnership.** Our proposal is based on a risk and reward-sharing partnership that integrates the values of partnership into shared management of the VEAA Initiative. We truly view this opportunity as a business partnership with the Commonwealth. By sharing a common set of objectives, risks, and rewards, both parties will be motivated to seek success. Modeled after other public-private partnerships in which Team CGI-AMS has successfully participated, the organizational structure for the VEAA Initiative embodies joint oversight and decision making at all levels. We believe a business partnership continuously:

**We believe a true partnership focuses on success, not protection against failure.**

- Verifies a win-win for each opportunity
- Takes a long-range view
- Focuses on success, not protection against failure
- Defines criteria for success and measures against them
- Regularly evaluates itself to achieve mutual, long-term success.

**Practical Management Disciplines.** Because of the size and complexity of the VEAA Initiative, a rigorous, disciplined, and practical form of governance is essential. Team CGI-AMS has a proven record for managing complex initiatives over an extended period of time, using practical frameworks for developing, managing, and evolving a controlled program in a complex environment. We

have used these disciplines and our experience in Virginia and across the nation to design a governance approach with these key features:

- Is consistent with existing Commonwealth governance policy and integrates into existing Commonwealth governance structures
- Fosters broad consensus across the enterprise by providing venues for stakeholders to contribute to solutions, help establish priorities, and voice insights and concerns
- Provides forums for vested parties to make trade-off decisions
- Provides a clear and efficient decision making structure, with review and resolution paths that minimize decision bottlenecks
- Contains tiered decision authorities with clearly delineated authority levels that encourage decisions to be made at the right organizational level
- Specifies accountability at each level of the organization
- Provides a continuous feedback and improvement loop so that objectives are met as circumstances evolve.

### 9.2.2 VEAA Initiative Governance Organization

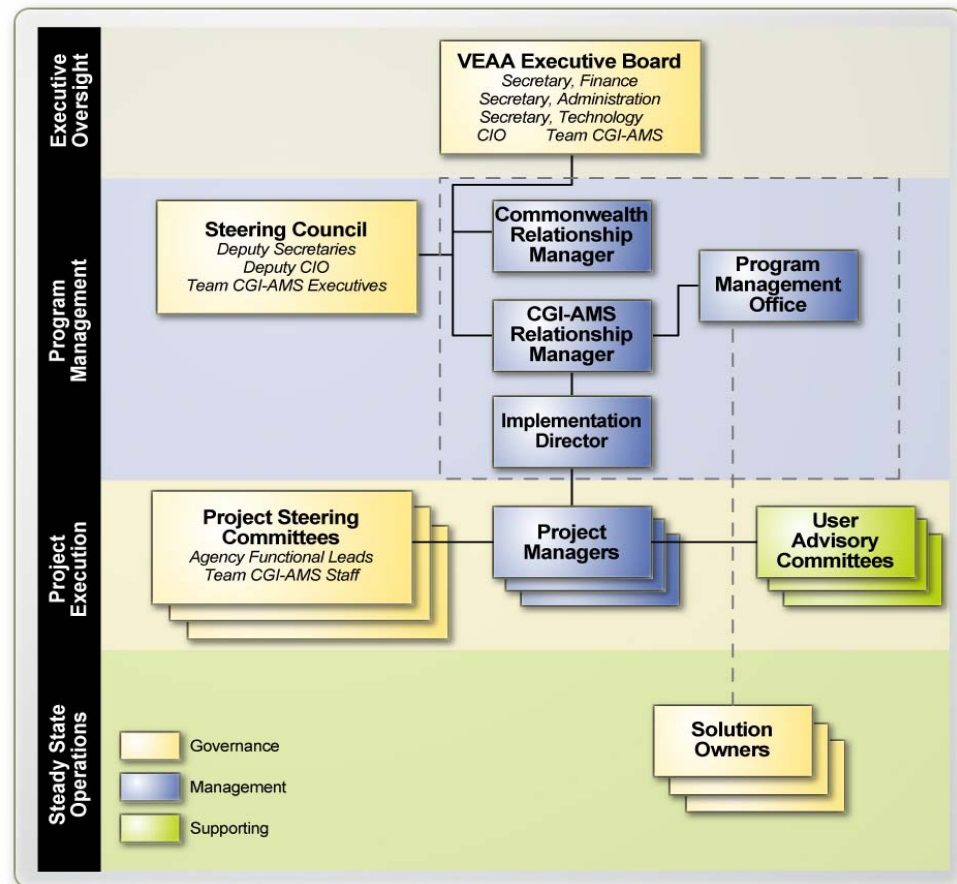
The VEAA Initiative will be managed through an integrated governance approach that emphasizes strong management, with extensive and ongoing Commonwealth involvement in strategic guidance, tactical planning, and execution. For more than 30 years, CGI-AMS has successfully delivered complex solutions that require a balance of insight, creativity, and proven strategies for managing very large engagements. We bring this experience to our design of the proposed VEAA Initiative partnership and program governance structure, which has four components:

1. **Executive Oversight** – provides vision and support, holds ultimate responsibility
2. **Program Management** – supervises program execution, establishes standards, oversees execution of projects
3. **Project Execution** – conducts projects
4. **Steady State Operations** – supports business processes transformed by completed projects, supports benefits realization.

The VEAA Initiative Governance Organization is illustrated in Exhibit 9-6 and is described in further detail below.



**Exhibit 9-6 VEAA Initiative Governance Organization**



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### 9.2.2.1 Executive Oversight

The Executive Oversight function is performed by the Executive Board, which will be the sponsor and principal stakeholder of the VEAA Initiative. It will establish and refine the VEAA vision throughout its life, provide overall policy guidance and strategic direction to the entire VEAA Initiative, provide broad oversight and support, and monitor and manage the Initiative as a whole toward meeting its goals and objectives.

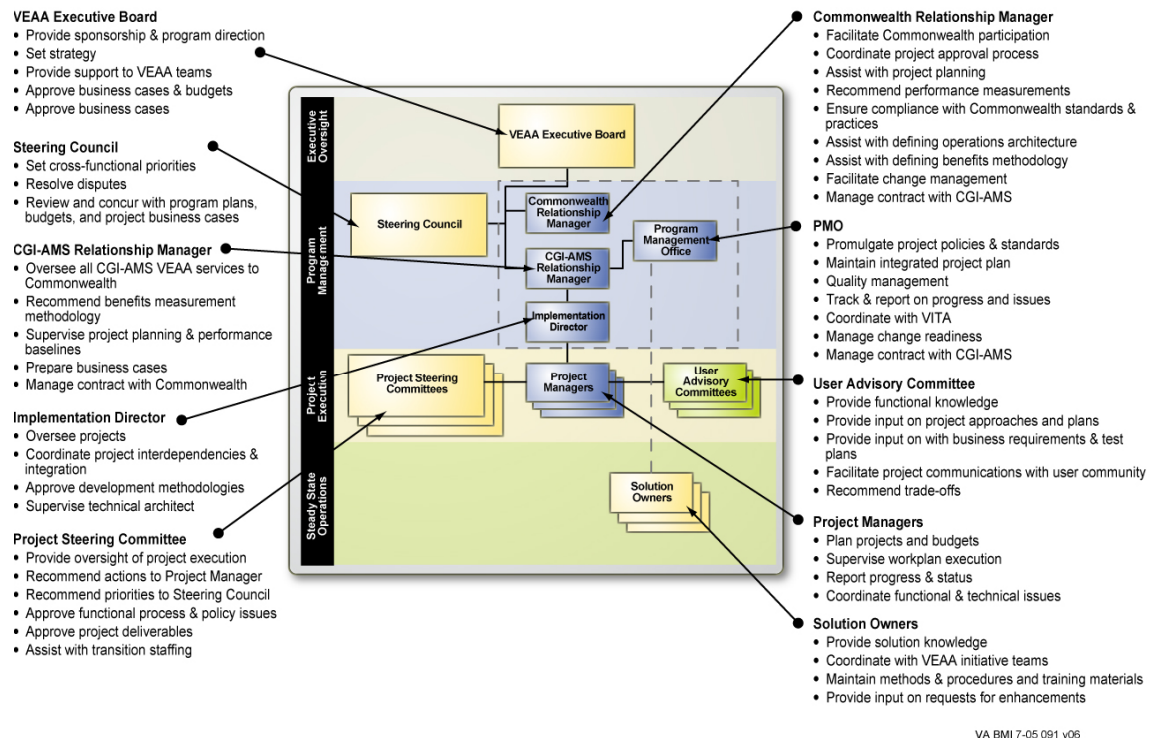
The Executive Board will fulfill the requirements for an Oversight Committee as mandated by the Commonwealth's IT Resource Management Policy. For projects that are within the jurisdiction of the IT Investment Executive Board (ITIB), the Executive Board will recommend projects to the ITIB. Once these are approved by the ITIB, the Executive Board will make the programmatic, policy, process, and budget commitments necessary to implement the proposed projects.

Given the far reaching scope and impact of this Initiative, we recommend that the Executive Board have very senior Commonwealth representation: namely, the Secretaries of Administration, Finance, and Technology; and the Commonwealth CIO. Because of the level of partner financial commitment and the strategic

nature of this engagement for our business, we also propose that the Executive Board have seats for the President of CGI-AMS and another senior executive from CGI-AMS. We recommend that the Executive Board meet at least quarterly, although it will meet more frequently early in the Initiative. Decisions and actions of the Executive Board will be by unanimous vote.

Exhibit 9-7 indicates the Executive Board's roles as well as the roles for the other components of the Initiative governance structure.

**Exhibit 9-7 Governance Roles**



### 9.2.2.2 Program Management

**Program Management is the point where the executive vision is operationalized and turned into reality.**

Program Management is the point where the executive vision is operationalized and turned into reality. The Program Management function provides high level direction to the Initiative by establishing the overall context of which each project is a part, creating and driving the success model and execution plan, managing interdependencies, and providing summary reporting. In addition to executing the vision of the Executive Board, the Program Management function advises the Board on the realities of the Initiative and the consequences of their decisions. This function will be performed by the Commonwealth Relationship Manager and the CGI-AMS Relationship Manager. They report to the Steering Council for certain matters, and are supported by an Implementation Director, and the Team CGI-AMS Program Management Office.

**Commonwealth Relationship Manager** – The Commonwealth Relationship Manager will have the lead responsibility for the VEAA Initiative within the Commonwealth. The Commonwealth Relationship Manager, together with the CGI-AMS Relationship Manager, will represent the Initiative to the Executive

Board to help make certain of the alignment of the Initiative with the Commonwealth business strategy, policies, procedures, and other statewide business initiatives.

For each project recommended by the Executive Board, the Commonwealth Relationship Manager will manage the Commonwealth approval process (including the existing VITA and ITIB processes) in order to obtain final approval. The Commonwealth Relationship Manager will also work with the CGI-AMS Relationship Manager to create project plans, including cost estimates and schedules, for approval by the Executive Board. This individual will also make sure of compliance with Commonwealth standards and facilitate Commonwealth staff involvement. He or she will be primarily responsible for the Commonwealth's performance of its responsibilities and making required resources available. The Commonwealth Relationship Manager will help define the operations architecture for each project and assist in creating joint Partnership teams for the design, deployment, and operation of the new business capabilities. The Commonwealth Relationship Manager will have significant responsibility for Commonwealth change management to align employee capabilities, skills, organizational structures, and management processes with the new business processes enabled by the Initiative. The Commonwealth Relationship Manager will also serve as the Commonwealth contract manager for the VEAA Initiative and measure and report on Benefits realized by the projects.

As the VEAA Initiative is business-driven, we suggest that this individual be a senior member from the Governor's Office or a representative of either the Secretary of Finance or Secretary of Administration, and be directly supported by a small (one to three FTEs) team.

**CGI-AMS Relationship Manager** – The CGI-AMS Relationship Manager will have lead operational responsibility and accountability for the VEAA Initiative as a whole. The CGI-AMS Relationship Manager will be the liaison between Team CGI-AMS and the Commonwealth's Relationship Manager, and, together with the Commonwealth Relationship Manager, will report to the Initiative's Executive Board. As Team CGI-AMS's lead, he will have the full authority and accountability for success of the VEAA Initiative and will be backed by the full support of Team CGI-AMS.

The CGI-AMS Relationship Manager will have overall responsibility for directing the performance of Team CGI-AMS services, coordinating the preparation of proposals and responses to the Commonwealth's requests, and conducting periodic program review sessions with the Commonwealth. He or she will recommend projects to the VEAA Executive Board including objectives, requirements, scope, and priorities. This individual will also manage the program budget.

The CGI-AMS Relationship Manager will structure projects to contribute to Virginia's business drivers while balancing cost, schedule, and risk. The CGI-AMS Relationship Manager will also work with the Commonwealth Relationship Manager to review project plans, including estimated costs and schedules, and submit these to the Executive Board for their approval.

**The CGI-AMS Relationship Manager will have the full authority and accountability for success of the VEAA Initiative and will be backed by the full support of Team CGI-AMS.**

**Justification for technology investments must clearly demonstrate business value. Anticipated benefits should be clearly identified and assessed...to ensure the desired business value is achieved. – COV ITRM Policy**

The CGI-AMS Relationship Manager will establish management frameworks consistent with VITA policies and Team CGI-AMS best practices. He or she will establish reporting and performance scorecards for accountability and effective risk management. The CGI-AMS Relationship Manager will supervise the Program Management Office and have oversight responsibility for individual projects, the enterprise applications center of excellence (described in more detail in Chapter 7), and any enterprise service bureaus operated by Team CGI-AMS.

The CGI-AMS Relationship Manager, working with the Commonwealth Relationship Manager, will propose to the Executive Board the benefits measurement methodology that will be used during the VEAA Initiative. Initial measures and standards will be required for the benefits-funded contract. Additional measures and standards may also be required as new projects are launched. We understand that VITA is currently developing a methodology for measuring benefits of technology-based transformation initiatives. We expect to be consistent with this methodology once it is approved.

Paul Doty, a CGI-AMS Vice President, will be assigned to the CGI-AMS Relationship Manager role. Mr. Doty is knowledgeable of the Commonwealth, its businesses, functions, business practices, and IT systems. He has more than 27 years of experience in structuring and delivering technology solutions to government. He has served as a regional vice president of sales for one of the nation's premier systems integrators and has held a variety of high-level positions in human services program management, as well as technology delivery for state governments in the northeastern United States. Mr. Doty is a proven and recognized leader in the government and technology arenas. He has successfully introduced numerous innovations to government service delivery process and offers an experienced, first-hand view of both public and private sectors. Mr. Doty's resume is included with this proposal at Appendix C.

Mr. Doty will be supported by a Deputy CGI-AMS Relationship Manager, Dan Keene. Mr. Keene is a CGI-AMS Vice President and Senior Project Director. He has 18 years of leadership experience in the design, development, implementation, and transition management of major application systems in state and local government. Mr. Keene has managed a number of AMS's most challenging transformation projects for state agency clients. His engagements have included managing the development of large complex systems in financial management, human resources management, and procurement, with significant experience in implementing web interface and e-commerce functions. Key state clients include Arizona, Illinois, Massachusetts and Washington.

**Oversight Committees provide ongoing oversight ...and have the authority to approve or reject changes to the project scope, cost, schedule, and performance measures. – COV ITRM Policy**

**Implementation Director** – The Implementation Director will directly oversee the various projects that compose the VEAA Initiative. Reporting to the CGI-AMS Relationship Manager, the Implementation Director will directly supervise the Project Managers (described below), coordinate the various interdependencies and integration of the projects, and drive synergies among the projects. The Director will review project plans and budgets and approve their development methodologies.

The Implementation Director will also supervise the Technical Architect and various solution leads who, working with VITA as required, will establish the overall technical and business architectures for the Commonwealth's Enterprise

Applications in compliance with the Commonwealth's Enterprise Architecture. The Architect will support individual projects by advising them on architecture issues and supplying them with technical expertise.

Patrick (Pat) Colacicco, a CGI-AMS Vice President, is proposed as the Implementation Director. Mr. Colacicco is currently serving as the Director of Product Engineering for CGI-AMS, where he supervises over 400 staff in the development and support of CGI-AMS proprietary products. Prior to that, Mr. Colacicco was the Project Manager and Engagement Manager for the eVA project for over three years and is very familiar with the Commonwealth's enterprise environment. Mr. Colacicco has over 20 years of experience in the design, development, and implementation of major business application systems in government.

**The PMO will coordinate overall quality assurance, including conducting periodic formal quality audits.**

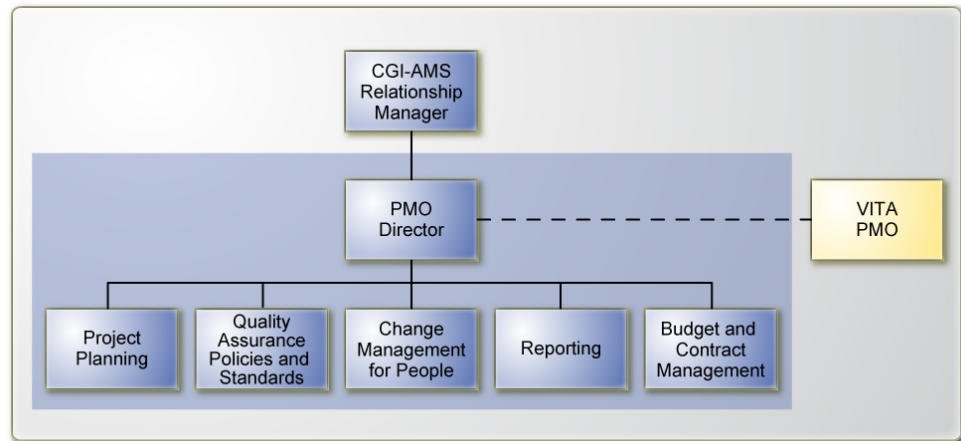
**Program Management Office.** Under the oversight of the CGI-AMS Relationship Manager and working at the direction of the Program Management Office Director, the Program Management Office (PMO) oversees the execution of the strategic direction set by the Executive Board. The PMO, staffed by Team CGI-AMS, will provide high quality support to the functional communities and the governance process in order to 1) verify that each investment has a solid business case, 2) execute agreed-upon projects to meet the Commonwealth's business needs, 3) monitor compliance with the enterprise-level IT architecture, and 4) coordinate with the PPEA infrastructure initiative.

The PMO will disseminate project policies and standards for process and quality and verify that each project is operating in accordance with these. It will create and maintain the VEAA Integrated Project Plan, which is a summary of the individual project plans and describes the key tasks, schedules, milestones, and interdependencies for the overall Initiative. The PMO will coordinate overall quality assurance, including conducting periodic formal quality audits. It will track project progress and conduct scheduled and ad hoc reporting of status, budget, and issues, including information for the Commonwealth Major IT Project Status Report and Dashboard. The PMO will be the repository for all deliverables, metrics, reports, and various project management artifacts (templates, tools, and forms) used by the projects. It will coordinate with the VITA PMO as required. The PMO will also house the Change Management for People Team and perform contract management activities.

The PMO organization is presented in Exhibit 9-8.



**Exhibit 9-8 PMO Organization**



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The PMO Director, a Team CGI-AMS member, will be a PMI-certified senior executive with extensive experience building and leading PMOs.

- **Steering Council** – Because of its scope and impact, the VEAA Initiative requires the support and the attention of the Commonwealth’s most senior executives. As recommended above, these most senior executives serve on the VEAA Executive Board. In practice, there are many responsibilities that a steering committee can perform on behalf of an Executive Board. The VEAA Steering Council will execute these responsibilities by advising and recommending actions to the VEAA Relationship Managers, vetting recommendations that require Executive Board approval, and approving actions of a lesser threshold that do not require Executive Board approval, such as business case approvals or project budgets. The Steering Council will make tactical and execution decisions, approve program implementation strategy, approve project definition and commitments, concur with the budget, and resolve key issues related to program management as well as project implementation and execution.

Once projects have become operational, the Steering Council will be a forum for establishing cross-functional priorities and resolving issues between all operational elements.

We suggest that the Steering Council be composed of the Deputy Secretaries, the Deputy CIO, and two executives from Team CGI-AMS. We recommend that the Council meet at least monthly, although it should meet more frequently early in the Initiative. Decisions and actions of the Steering Council will be by unanimous vote.



**Program Managers should review technology investments for compliance with established COV Enterprise Architecture Standards and maximize opportunities for migration from the current architecture to the desired future architecture. – COV ITRM Policy**

**The User Advisory Committee is the principal forum in which business owners can contribute to solutions by providing insights, voicing concerns, and establishing priorities.**

### 9.2.2.3 Project Execution

The Project Execution function plans and executes the various projects that compose the VEAA Initiative. This function is composed of the Project Managers, Project Steering Committees, and User Advisory Committees.

- **Project Managers** – Team CGI-AMS will appoint a Project Manager to plan, manage, and implement each individual project (such as a Financial Management system implementation or a major business process re-design) or series of closely related projects. Each Project Manager will have the authority to tactically manage the execution of the assigned projects within the policies and guidelines established by the Program Management Office and the project scope and performance commitments approved by the Steering Council. Specific areas of Project Manager responsibility may include guiding the selection and acquisition of software; establishing a project team utilizing the Team CGI-AMS resources, Commonwealth employees, and other necessary resources; coordinating technical and cross-project issues with the infrastructure initiative; managing project-level risks; and reporting status to the Relationship Managers through the Implementation Director and the PMO.
- **Project Steering Committees** - A Project Steering Committee comprised of Commonwealth and Team CGI-AMS representatives will be established for each major project or series of closely related projects and will be the principal forum for monitoring and tracking the achievement of project objectives. A Project Steering Committee will review functional and implementation issues and make recommendations for their resolution. Specific areas of responsibility include selecting specific application software, resolving functional process/policy issues, resolving enterprise-wide issues, reviewing the budget, and assisting with transition staffing. Once a project has become operational, the committee will prioritize any continuing investments and make certain there is alignment between system capabilities and functional processes and policy.

The Project Steering Committee will also have the role described in Section 9.2.5 below in pursuing resolution of disputes. It will take unanimity for the Project Steering Committee to determine a resolution to any dispute.

- **User Advisory Committees** – Each project will be supported by a User Advisory Committee that will represent the Commonwealth user community. The User Advisory Committee will assist the project team's definition of business requirements by providing functional knowledge of the business disciplines to which the solution is targeted, and also by reviewing and providing comments on requirements definition documents. It will similarly assist the project team with the preparation for and execution of user testing by reviewing and commenting on test plans. The User Advisory Committee is the principal forum in which business owners can contribute to solutions by providing insights, voicing concerns, and recommending priorities. In this way, it will facilitate making the trade-off decisions among Commonwealth stakeholders that are inevitable in any large enterprise project.

#### 9.2.2.4 Steady State Operations

Once a project's implementation is complete and moved into a steady state mode of operations, a relationship with the Project Management Office will remain to provide a continuous channel of advocacy between the affected business processes and the VEAA Initiative. This is important because over the life of the Initiative, new opportunities will emerge; there must be a clear process to assess these opportunities against the Commonwealth's business drivers and continue innovation beyond the implementation of a specific project. In addition, operational issues may emerge requiring support of and coordination with the VEAA Initiative's management and resources. This function will be performed by Solution Owners.

- **Solution Owners.** After implementation of a project has been completed, it has moved into a sustained, steady state operational mode, and its project team and Steering Committee have been re-deployed or dissolved, a Solution Owner will serve as the solution expert supporting its operations. The Solution Owner is the point of contact between the business functions supported by a completed VEAA project and the VEAA Initiative project organization. This individual will be principally responsible for overseeing and supporting the business functionality of the solution, including its interaction with other solutions to support business processes. The Solution Owner will have overall responsibility for maintaining operational procedures and training materials, evaluating requests for improvements and fixes, assessing anomalies, and testing modifications.

The Solution Owners will have a dotted line reporting relationship with the VEAA PMO. We recommend that Solution Owners be Commonwealth employees who have in-depth knowledge of the business discipline and business processes they will support. We also suggest that they be appointed during the implementation of their respective solutions so they can become expert in the solutions' application to the business.

#### 9.2.2.5 Decision Making

Exhibit 9-9 below presents a proposed Decision Matrix that summarizes the responsibilities and approval authorities of the various components of the governance structure for business-as-usual decisions and approvals. Once we begin our work with the Commonwealth, the Relationship Managers will prepare for the Executive Board's approval a Decision Matrix that indicates the individual or team that is responsible for performing certain tasks or holds the authority to approve decisions.

For some decision types, a single level will have approval authority. For others, thresholds will be assigned to multiple levels in the organization. This encourages the lower levels of the organization to make those decisions for which they have authority, eliminating unnecessary delays, and avoiding unduly burdening more senior levels.

The matrix will also indicate the individual or team that is consulted in a decision or is informed of a decision. By clearly delineating the rules of decision making, members of each level of the organization know what decisions they are empowered to make.

**The Solution Owner is the point of contact between the business functions supported by a completed VEAA project and the VEAA Initiative project organization.**

The Decision Matrix, and the levels of authorization it reflects, do not apply to resolution of any disputes. While disputes will follow escalation paths similar to the decision flows set forth in the Decision Matrix, the dispute resolution process is described in Exhibit 9-9 below and in Section 21.1. of, and Schedule 4.3 to, the CMSA (see Appendix C).

**Exhibit 9-9 Decision Matrix**

Decision Types	Executive Board	Steering Council	Relationship Managers	Implementation Director	Project Steering Committees	Project Managers
Set Overall Policy Guidance and Strategic Direction	A	I	I	I	I	I
Business Cases Creation Request		A	R			
Business Case Approval	A if over \$XX	C or A if under \$XX	R			
Project Budgets	A if over \$XX	C or A if under \$XX	C	C	C or A if under \$XX	R
Requirements		I	C	C	A	C
System Designs		C or A if over \$XX	C	C	C or A if under \$XX	R
Delivery Approval		I	C	C	A	R
Organizational Redesigns		A	C	C	C	R
Change Control	A if over \$XX	C or A if under \$XX	C	C	C or A if under \$XX	R

**Legend:**

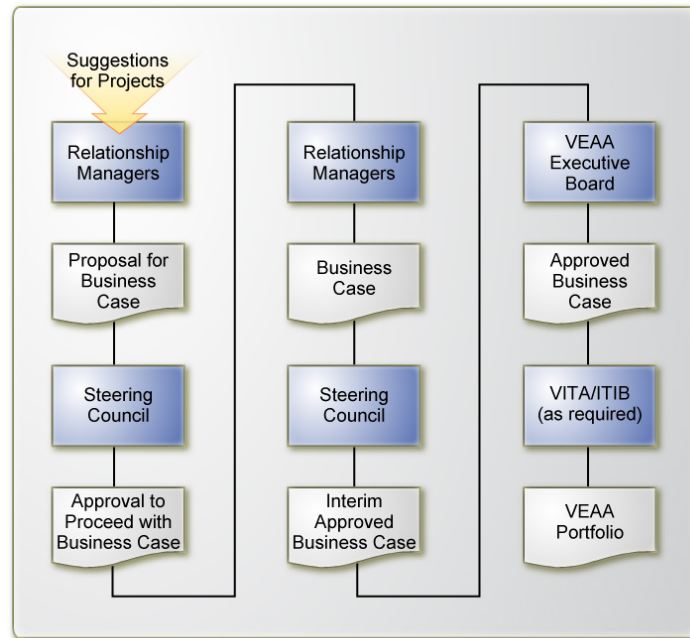
- \* R - Responsible. Person or group that performs the task and who will be accountable for the results.
- \* A - Approves. Person or group that approves a decision or request.
- \* C - Consulted. Person or group that participates in a decision by reviewing, contributing, and concurring.
- \* I - Informed. Person or group that is informed of a decision.

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### 9.2.3 Project Evaluation and Approval Process

Over the course of the VEAA Initiative, opportunities to improve the effectiveness and efficiency of operations, generate additional revenues, increase accountability, or comply with legislative mandates will arise. This section presents a process for receiving these ideas, evaluating them to determine which are to be considered through business case preparation, developing and testing their business cases, and securing approval to add them to the project portfolio. This process is illustrated in Exhibit 9-10.

**Exhibit 9-10 Project Evaluation and Approval Process**



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Proposals for business cases will come from a variety of sources, which may include:

- Council on Virginia's Future
- Auditor of Public Accounts
- Information Technology Investment Board
- Other Virginia councils
- Commonwealth employees
- VEAA Initiative project teams
- VEAA Initiative boards and councils
- Commonwealth political leadership

Because the preparation of a well prepared business case consumes significant resources, our proposed methodology provides a process for approving the request to prepare a business case. Business case proposals will go to the Relationship Managers, who will evaluate them for their ability to:

- Improve operations effectiveness and efficiency
- Reduce cost
- Elevate the quality of services
- Increase delivery of management information
- Add accountability
- Generate additional revenues
- Comply with legislative mandates.

The Relationship Managers will submit recommended proposals for business cases to the Steering Council for review and approval. The proposal will include high-level descriptions of the expected benefits, preliminary implementation cost estimates, and a cost estimate for preparing the business case. Upon Steering Council approval, the Relationship Managers will assign resources and oversee business case preparation. As shown in Exhibit 9-11, business cases typically will contain information on a set of key topics.

***Exhibit 9-11 Suggested Business Case Elements***

- 
- Clear definition of business drivers and boundaries
  - Concise description of expected benefits, to consider these areas
    - Reduced costs
    - Relieved pain points
    - Increased service
    - Increased revenues
  - Proposed project schedule to include necessary resources and deliverables and allocation of responsibilities
  - Financial metrics (that do not double count with other projects)
    - Implementation costs
    - Return on investment and return period
    - Quantifiable benefits
  - Critical success factors
  - Identification and measurement of risks and risk mitigation measures
  - Assumptions
- 

Once the business case is prepared, the Relationship Managers will submit it to the Steering Council for their approval prior to it being forwarded to the Executive Board for their approval. Once approved by these two bodies, the Commonwealth Relationship Manager will submit the business case to VITA for evaluation and submission to the IT Investment Board for final approval.

Once all approvals are received, the business case is added to the VEAA Initiative portfolio of projects and prioritized for implementation. The CGI-AMS Relationship Manager will work with the Commonwealth Relationship Manager to develop a methodology for prioritizing business cases.

#### 9.2.4 Performance Management

In Section 9.2.2.2 Program Management, we described how the CGI-AMS and Commonwealth Relationship Managers will collaborate on recommending to the VEAA Executive Board a benefits measurement methodology for the VEAA Initiative. This methodology will be applied to mutually establishing benefits objectives for each of the VEAA Initiative's individual projects and monitoring their realization.

In addition, the Commonwealth and Team CGI-AMS Relationship Managers will collaborate on recommending Service Level Agreements (SLA) for individual projects, where applicable. The SLAs will provide for agreement of a baseline of how well a process is currently performing and objectives for how it should perform once it is re-solutioned. These objectives should be reasonable and achievable. They should also allow for ramp-up time in the short term and provide for a mechanism that incrementally raises the objectives, where

applicable, to reflect an expectation of continuous improvement over the long term. These objectives will be embodied in Service Level Agreements.

Where appropriate, we may agree that Performance Credits will apply for failure to meet a critical Service Level under certain circumstances. Performance Credits should not be punitive, and the overall approach should not be used to generate revenues or drive a discount on agreed upon prices. Instead, they should be set at levels that will attract the appropriate attention if sufficient attention is not already being paid to a problem. The methodology will provide, where a Performance Credit has come due, that the credit may be earned back by CGI-AMS if it meets the applicable Service Level in each of a specified number of successive months following the failure.

In addition, we will agree on bonuses for superior performance in excess of a Service Level.

CGI-AMS'S success in achieving client satisfaction is enhanced by financially incenting its leaders to meet and exceed group and individual performance goals. The key has been to link these group and individual goals to objective measures of the performance and success of services provided to CGI-AMS's customers. CGI-AMS, as the employer of those individuals, must of course retain the responsibility and discretion to define such incentive-based compensation programs from time to time.

### 9.2.5 Dispute Resolution Process

In any program, differences of opinion are inevitable and sometimes grow into disputes that have the potential to delay or disrupt progress towards achieving the program's objectives. Team CGI-AMS proposes a process for resolving such disputes that is designed to drive early resolutions. CGI-AMS's experience in applying this process to large and complex programs has been successful because the process has these key characteristics:

- It is peer-to-peer, thereby giving a fair hearing to all parties in a disagreement
- It consists of tiered escalations that drive resolution to the lowest organization level possible, thereby reducing resolution time and making better use of the time of more senior people
- It contains time limits so disputes do not languish
- It provides for continuous tracking and reporting of disputes and the progress toward resolving them.

Most disagreements will begin within projects; therefore, the Project Manager is responsible for tracking them and resolving them. The Project Manager will promptly record the disagreement in the Issues Tracking System (as described in Section 9.3.1.2.6 Issues Management) along with the plan to resolve the issue, the individual responsible for pursuing the issue to resolution, its impact and criticality, and a due date. This information is reported to and tracked by the PMO and disseminated throughout the governance structure as part of the normal issue reporting process.



**Relationship Managers may decide that a critical issue is creating a major jeopardy, in which case they can agree to fast track its resolution.**

If the issue is not resolved by the due date, either the CGI-AMS Project Manager or the Commonwealth may escalate the issue to the Project Steering Committee for that project (which is composed of Commonwealth and Team CGI-AMS personnel). If the two sides do not agree to a resolution for the issue in the Project Steering Committee within the allotted time, either side may escalate it to the Commonwealth and CGI-AMS Relationship Managers. If the Relationship Managers cannot resolve the issue within the time allotted to them, either of them may, in turn, escalate it to the Steering Council. Each of these escalation points will attempt to resolve the issue within 15 days (30 days for the Steering Council). Issues will not be escalated to the next level before the completion of this period in order to give the resolution efforts an opportunity to succeed. At the conclusion of the allotted period, if the two sides believe they are nearing resolution they may agree to defer escalating to the next level and instead continue to try to conclude a resolution. This prevents unnecessary escalations when a resolution is imminent.

The Relationship Managers may decide that a critical issue is creating a major jeopardy, in which case they can agree to fast track its resolution by escalating it before the allotted time or even bypassing an escalation point in order to avoid undue delays.

Exhibit 9-12 illustrates the flow of the Dispute Resolution Process.

***Exhibit 9-12 Dispute Resolution Process***



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Throughout this process, the Project Manager and PMO will continue to track and report on the status of a given issue. The Project Manager will continue to track the item as an issue and continue to track and report to the PMO on its disposition. Issues initiated above the project level (for example, by one of the Relationship Managers) will be “owned” by the organization initiating the issue and will be tracked and reported by the PMO.

**CGI-AMS's comprehensive standards and methodologies are built on industry best practices, enhanced with extensive delivery experience, and focused on achieving our customers' business results.**

**CGI-AMS's ISO-9001 certified methodologies are structured and disciplined, yet they provide the necessary flexibility to adapt to varying business circumstances.**

If the Steering Council is unable to resolve an issue (now a dispute) within 30 days, either side may escalate it to the Executive Board. If the Executive Board is unable to resolve the issue/dispute within 30 days, either side may escalate it to the Commonwealth CIO, appropriate Commonwealth business executives, and the President of CGI-AMS. If this escalation point is not able to resolve the issue/dispute within 30 days, either party may initiate alternative dispute resolution procedures (or, if applicable, litigation) pursuant to Section 21 of the CMSA.

## 9.3 Program Management Methodology

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As prime contractor, CGI-AMS takes responsibility for program management quality for this Initiative. For more than 30 years, CGI-AMS has been successfully producing world-class results for customers. We know how to deliver complex solutions that require a balance of insight, creativity, and proven strategies. This experience has allowed us to develop comprehensive standards and methodologies that are built on industry best practices, enhanced with extensive delivery experience, and focused on achieving our customers' business results. To manage this Initiative, we will use CGI standards and quality methods.

Quality processes are at the forefront of CGI-AMS's operations. Our track record of on-time, on-budget delivery is rooted in the CGI Management Foundation, which governs our client, member (employee) and shareholder frameworks. Our delivery approach differentiates CGI-AMS from many competitors. We adapt to the client's way of conducting business, which is the least disruptive to them and maintains their control of strategic functions. We bring best practices, greater efficiencies, and a low rate of attrition among our professionals—all to reduce and mitigate clients' risk.

The governance of the VEAA Initiative will be supported by a series of methodologies that CGI has developed over the past three decades of serving governmental and commercial clients. These methodologies all have several features in common. They are structured and disciplined, yet they provide the necessary flexibility to adapt to varying business circumstances. They are field tested and have proven themselves to be valuable tools for executing large, complex projects on time, on budget, and with very high quality.

Team CGI-AMS will apply two primary methodology sets to the VEAA Initiative: Engagement Management and Project Implementation Methodologies.

### 9.3.1 Engagement Management

To support the management of our overall engagement with the Commonwealth, Team CGI-AMS will utilize CGI's ISO 9000 certified Customer Partnership Management Framework (CPMF). The CPMF is CGI's corporate framework of guidelines, procedures, and templates that are essential tools for CGI consultants as they engage with our clients to solve business problems.

**CGI-AMS's CPMF has evolved from a series of industry best practices and methodologies. As a result, CGI was the first North American information technology company to secure ISO 9001 certification.**

CPMF has evolved from a series of industry best practices and methodologies. For example, for IT Service Management we looked to the IT Infrastructure Library for disciplines supporting the effective provision of IT services. Our Quality Management System, which underlies our CPMF, is ISO 9001:2000 certified. In fact, CGI was the first North American information technology company to secure ISO 9001 certification for its Quality Management Framework. CPMF also incorporates concepts of the Software Engineering Institute's Capabilities Maturity Model, the Project Management Institute's Project Management Body of Knowledge, and the Institute of Electrical and Electronics Engineers' standards for software engineering. And, of course, we draw from our own best practices and lessons learned from 30+ years of experience in applying information technology to the solution of complex business problems.

### **9.3.1.1 Program Management**

The Program Management function focuses on the complexities of interdependent activities, trade-off decisions, risks, and communications across multiple stakeholders and groups. For the VEAA Initiative, Team CGI-AMS will implement CGI-AMS'S Customer Partnership Management Framework (CPMF) beginning with the establishment of a Program Management Office, described in Section 9.1.3.1.1.

An initial task of the PMO will be to establish a framework of consistency for the Initiative by defining how projects will be planned and executed. There are nine elements that comprise our Customer Partnership Management Framework:

- Project Planning
- Risk Management
- Quality Assurance
- Delivery Review and Approval
- Project Change Management
- Issues Management
- Communications Management
- Configuration Management
- Supplier Management.

These elements will apply both to the management of individual projects and to the overall Initiative—but with a different focus and at different levels of detail. For example, Project Planning at the project level includes items such as individual tasks, individual team members, and project-level interdependencies. Project Planning at the Initiative (Program) level includes items such as activities (groups of tasks), teams, and interdependencies between projects.

As part of our CPMF, the PMO will create a deliverable that describes, for each of the CPMF elements, the management policies, processes, procedures, artifacts, and templates that we will use for the VEAA Initiative. After approval of this deliverable by the Steering Council, these items will be managed by the Program Management Office and will be standard across all projects in the VEAA Initiative unless there is a compelling reason for an exception.

### 9.3.1.2 Project Management

Project Management focuses on successful (on-time, on-budget, quality) delivery of specific, agreed-upon deliverables for a single project. To achieve this, each project team will apply the elements of the Management Framework promulgated by the PMO. The nine elements are:

#### 9.3.1.2.1 Project Planning

At the beginning of each project, the Project Manager, working in close cooperation with Commonwealth and CGI-AMS Team members, will create a Project Plan. The Project Plan formally describes the various deliverables, project phases, milestones, and schedule for the project. The plan also defines the organization of the project team and the roles and responsibilities of all project team members. Once approved by the Relationship Managers, the PMO will incorporate each Project Plan into the VEAA Initiative Integrated Project Plan.

Because each project is a unique endeavor, the Project Plan will describe the specific project management processes and their sub-plans that must be established for the execution and control of the project. The Project Plan will include a series of sub-plans as described below.

#### 9.3.1.2.2 Risk Management

CGI-AMS pays careful attention to risk tracking and management. It is the reason for which our Client Partnership Management Framework requires, from a project's start-up and throughout its execution, an organized and disciplined approach to identifying and evaluating risks, as well as the definition, selection, and management of attenuating or elimination measures aimed at controlling those risks.

Our approach to risk management is based on concepts developed by the Project Management Institute. These concepts support the application of an effective risk management process that faces project challenges in a very direct, forthright manner that is transparent to the project team and their supervising offices and Executive Boards.

This approach is executed through a risk management plan that describes in a detailed fashion the approach used to control risks that can affect the project's outcome. The Project Manager will create a Risk Management Plan at the beginning of each project and submit it to the PMO for approval by the two Relationship Managers.

Our CPMF risk management methodology provides for proactive—not reactive—identification and analysis of risks, their prioritization, mitigation development, and tracking. Each month, the project team conducts a Health Check, which is a framework for summary reporting of a project's health. The Health Check summarizes end-to-end status and provides details on the key issues and risks to success, and the actions being taken to address them. It evaluates such factors as schedule, scope, quality assurance, and staffing. The Health Check also documents the Project Manager's view of the overall health of the project. The Health Check will be submitted to the PMO for review by them and the Relationship Managers. In addition, a copy will be submitted to CGI's Engagement Advisory Services, CGI's organization for helping our delivery organizations manage operational risk.

**CGI-AMS's risk management process faces project challenges in a very direct, forthright manner that is transparent to the project team and their supervising offices and Executive Boards.**

**Our CPMF risk management methodology provides for proactive—not reactive—identification and analysis of risks, their prioritization, mitigation development, and tracking.**

CGI-AMS typically uses a traffic light metaphor for characterizing risks as red (critical – can significantly affect a project outcome), yellow (serious – appears to be mitigated but requires attention), and green (moderate – mitigation in place).

#### *9.3.1.2.3 Quality Assurance*

CGI is a world-class information technology company providing end-to-end information management services to our clients around the world. Our reputation for outstanding quality has been earned through the consistent fulfillment of client expectations and the reliable provision of high-quality products and services. CGI was the first North American information technology company to secure ISO 9001 certification for its Quality Management Framework.

Our proprietary Quality System is the foundation of our ability to deliver on the commitments we make to our clients. This ISO 9001-certified system is a set of principles and methods for continuously improving our services and products. The CGI Quality System is at the heart of everything we do for our clients, our suppliers, and our members.

Using the frameworks defined in CGI's Quality System, each Project Manager will create a Quality Assurance Plan at the beginning of every project. The QA plan identifies the activities to be performed to support quality performance. Quality Control activities during the project primarily focus on walkthroughs and technical reviews using compliance checklists:

The QA plan identifies the following:

- Procedures for identification, collection, filing, and maintenance of quality records
- Quality standards, procedures, and tools for performing Quality Assurance
- Details of quality objectives
- Methods to be used to control and measure the level of quality attained (for example, mandatory checklists)
- Roles and responsibilities for conducting and performing review activities.

Details of quality features and attributes of some key components of the CGI-AMS Quality System are provided in checklist form to enable more detailed assessment of these components. The Project Manager is responsible for determining the review requirements associated with each activity and making appropriate plans.

As part of CGI –AMS's Quality System, Synergy Teams are established and assigned at the beginning of the project. This group consists of members and managers from the Project Team, as well as other experts who are not directly involved in the project. The Synergy Teams have two main tasks outlined below.

- A "management" Synergy Team performs milestone reviews at specified points in each project to make certain that the budget, schedules, and Quality Assurance Plan continue to meet objectives.
- A "technical" Synergy Team supports multidisciplinary discussions, known as "focus sessions," at critical phases of the project to make certain that the deliverables and services are of the highest possible quality. Experts (internal

**Using the frameworks defined in CGI-AMS's Quality System, each Project Manager will create a Quality Assurance Plan at the beginning of every project.**

or external) are invited to participate in focus sessions along with regular Synergy Group members.

#### *9.3.1.2.4 Delivery Review and Approval*

The processes for delivery review and approval require the Project Manager to provide the Commonwealth with an acceptance form for each deliverable created during the project. The Commonwealth will indicate acceptance or reasons for non-acceptance of the deliverable on this form and return to the Project Manager. Once approved, copies of deliverables will be retained by the PMO.

#### *9.3.1.2.5 Project Change Management*

Despite best efforts to minimize change to scope or specifications once a project has begun, changing business conditions, emerging opportunities, or legislative mandates often require such change. In recognition of this, CGI-AMS has defined a process for identifying, assessing, and approving changes to project scope. [Our approach to implementing change once a process has been re-solutioned is described in Section 9.5 Change Management for People.]

**Despite best efforts to minimize change to scope or specifications once a project has begun, changing business conditions or emerging opportunities often require such change.**

As part of initial planning efforts, each Project Manager will implement a Project Change Management Plan based on a standard provided by the PMO. The Project Change Management Plan recognizes that changes may come from a variety of sources or stakeholders, and provides appropriate mechanisms, including COTS change request management tools, for managing complex change requests.

The Project Manager will record each change request and determine its impact on cost and schedule. Minor changes not adversely affecting budget, schedule, quality, or risk can be approved by the Project Manager and the Project Steering Committee. Requests for changes that do have adverse impacts will be presented to the PMO, Commonwealth business stakeholders, and the Executive Board for approval and prioritization. Change requests will not be worked on until such approval is granted. Once approved, the Project Manager will update the Project Plan accordingly and communicate the change, its cause and effect and schedule/budget impacts to the project team, stakeholders, and PMO.

The change request management tool will track all requests and issue reports on the status of their progress.

#### *9.3.1.2.6 Issues Management*

An issue is any event or situation that could adversely affect the project quality, schedule, or cost. Each Project Manager will implement an Issues Management Plan based on a standard provided by the PMO. The Issues Management Plan defines the processes for documenting, tracking, reporting, resolving, and escalating project issues. Documentation will include a description of the issue, its impact to the project, and an indication of its importance (e.g., critical, non-critical), the name of the individual responsible for ensuring its resolution, the plan for resolving the issue, and a date when the issue is expected to be resolved.

Documentation of all issues will be stored in a CGI-AMS Issues Tracking System, maintained by the PMO. The Issues Tracking System will produce standardized reports to individual project teams and the governance organization.



Reports will feature a red/yellow/green code to indicate which issues most critically affect a project's success. Ad hoc reporting will be available.

A process for escalating issues that are project jeopardies is described above in 9.2.5

### 9.3.2 Performance Management

In Section 9.2.2.2 Program Management, we described how the CGI-AMS and Commonwealth Relationship Managers will collaborate on recommending to the VEAA Executive Board a benefits measurement methodology for the VEAA Initiative. This methodology will be applied to mutually establishing benefits objectives for each of the VEAA Initiative's individual projects and monitoring their realization.

In addition, the Commonwealth and Team CGI-AMS Relationship Managers will collaborate on recommending Service Level Agreements (SLA) for individual projects, where applicable. The SLAs will provide for agreement of a baseline of how well a process is currently performing and objectives for how it should perform once it is re-solutioned. These objectives should be reasonable and achievable. They should also allow for ramp-up time in the short term and provide for a mechanism that incrementally raises the objectives, where applicable, to reflect an expectation of continuous improvement over the long term. These objectives will be embodied in Service Level Agreements.

Where appropriate, we may agree that Performance Credits will apply for failure to meet a critical Service Level under certain circumstances. Performance Credits should not be punitive, and the overall approach should not be used to generate revenues or drive a discount on agreed upon prices. Instead, they should be set at levels that will attract the appropriate attention if sufficient attention is not already being paid to a problem. The methodology will provide, where a Performance Credit has come due, that the credit may be earned back by CGI-AMS if it meets the applicable Service Level in each of a specified number of successive months following the failure.

In addition, we will agree on bonuses for superior performance in excess of a Service Level.

CGI-AMS'S success in achieving client satisfaction is enhanced by financially incenting its leaders to meet and exceed group and individual performance goals. The key has been to link these group and individual goals to objective measures of the performance and success of services provided to CGI-AMS's customers. CGI-AMS, as the employer of those individuals, must of course retain the responsibility and discretion to define such incentive-based compensation programs from time to time.

Dispute Resolution Process.

**Effective communications are bi-directional. Project teams will seek continuous feedback from their own members as well as their supervisory Executive Boards and organizations, business partners, and stakeholders.**

#### *9.3.2.1.1 Project Communications Management*

The Project Communications Management Plan defines the processes to promote adequate communication with the governance organization, project stakeholders, and within the Project Team. (This plan defines the processes for communicating about individual projects; it is a component of a broader plan for communicating about the overall VEAA Initiative as described in Section 9.5.2.2.2.) The Project Communications Management Plan includes tools and processes for generating, disseminating, analyzing, and acting upon management reports regarding project status and progress.

An important feature of our communications methodology is its recognition that communications must be bi-directional in order to be effective. This means that project teams will seek continuous feedback from their own members as well as their supervisory boards and organizations, business partners, and stakeholders.

Each Project Manager will implement a Project Communications Management Plan for each individual project, based on a standard provided by the PMO. At the beginning of each project, Team CGI-AMS will meet with Commonwealth stakeholders to document their expectations of that project. We will meet with the stakeholders periodically to gauge their satisfaction and to solicit their perspectives on how well we measure up to these expectations. We will document action plans if we are missing the mark. CGI-AMS regularly conducts surveys to measure client satisfaction with our project performance. The results from these surveys provide a process for continued quality improvement.

#### *9.3.2.1.2 Configuration Management*

Deliverables can take the form of a written document or software. Depending on a project's complexity and duration, it may produce a variety of deliverables in numerous iterations. Each Project Manager will implement a Configuration Management Plan based on a standard provided by the PMO. The Configuration Management Plan defines the processes, tools, and methods used to maintain version control of all deliverables. As a result, enhancements and upgrades are applied to, and tests and quality reviews are conducted on the proper version of a deliverable at any given time.

#### *9.3.2.1.3 Supplier Management*

Team CGI-AMS consists of several partners named in this proposal. During the course of the VEAA Initiative, additional partners and vendors may be required to bring specialized knowledge and/or solutions. Each Project Manager will implement a Supplier Management Plan based on a standard provided by the PMO. The Supplier Management Plan defines the processes for managing the relationship between CGI-AMS and any subcontractors. As a result, subcontractors are properly managed, ensuring that their deliverables meet or exceed specifications.

## 9.4 Project Implementation Methodologies

CGI-AMS is an industry leader in effectively delivering high quality solutions that meet or exceed our customers' expectations. To achieve this time and again, year after year, we have developed Concert: a common framework for creating and enhancing IT systems in a consistent and effective manner.

### 9.4.1 Concert

The Concert methodology is a result of the reflection and professional experience of our subject matter experts from all areas of system development and integration. It is also based on industry best practice concepts (ISO-12207, IEEE) and methodologies, and is structured to best support our approach to solution development. Concert provides developers and managers with a lifecycle model for IS/IT solution development and delivery, and it establishes a standard approach to execution of related activities.

As a framework, Concert permits individual projects the latitude to select specific development methodologies (e.g., RUP, traditional waterfall) and tools (e.g., third-party or custom/proprietary) that best suit that project's needs. But regardless of a project's specific choices, Concert guides and supports our teams by:

- Outlining the objectives, the content, and the result of each activity
- Describing the framework within which the development approach is positioned
- Integrating in a coherent ensemble the fundamental methodology and best practice development techniques. These include:
  - Recommendations, guides, best practice approaches, templates, and other job aids to promote and support managing requirements in an effective and compliant manner
  - Procedures and references to enable effective interfaces with project stakeholders; other Team CGI-AMS process areas; and solution components and services provided by various Team CGI-AMS support groups.

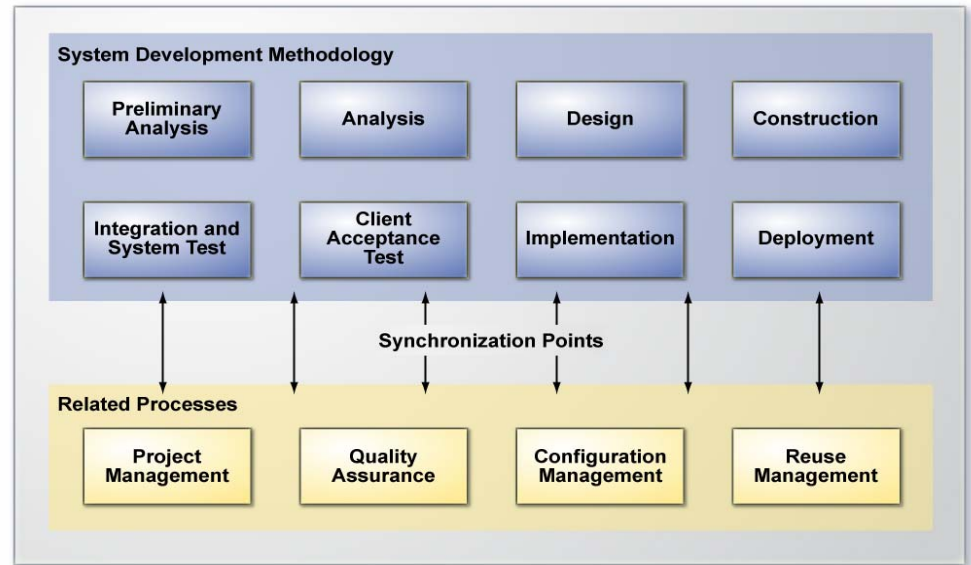
This is accomplished by performing key supporting processes—Project Management, Quality Assurance, Configuration Management, and Reuse Management—throughout the lifecycle of a project, regardless of the particular development methodology being used. These support processes intercede at “synchronization points,” which are the most opportune time in the development lifecycle for the intercession to occur. Exhibit 9-13 illustrates how the supporting processes relate to the development processes through these synchronization points.

Of course, the number of synchronization points varies according to the supporting process. For example, Project Management processes are performed quite frequently while Reuse Management processes are performed relatively infrequently. An example of a synchronization point is the Quality Assurance process for an independent review by experts not formally associated with the

**CGI-AMS's development methodology is based on industry best practice concepts (ISO-12207, IEEE) and methodologies, and is structured to best support our approach to solution development.**

project. An opportune time for an independent review of a project by a technical team would be at the completion of a design prior to coding.

**Exhibit 9-13 Concert System Development and Related Processes**



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Concert's success derives from the diligent application of basic principles that result from extensive experience in systems development and management, as well as industry best practices. These principles are:

- **A phased approach to development.** Each phase is designed so that the information concerning decisions to be made is produced at the right moment in order to make certain that the solution will be constructed effectively, without losing sight of business requirements and of organization and financial management issues.
- **The need for a flexible, adaptable, and scalable approach.** The methodology contains a flexible structure easily adaptable to any particular context, which becomes an integration tool based on a set of recognized principles while not imposing needless constraints.
- **Independent of technology.** The methodology should provide a framework for the full lifecycle of systems development independent of technology, platforms, vendors, etc.
- **Client (Commonwealth) participation.** Client participation is essential for the successful development of an information system. Our approach requires that everyone concerned or affected, must participate actively in activities at the appropriate time.
- **Effective use of models.** Models supply a framework integrating the use of specific techniques, tools, and norms, such as fourth-generation languages, mechanized configuration management, and prototyping tools. They can be adapted to each organization's unique context, and can also evolve with the progress of technology and software engineering best practice.

- **Clear identification of deliverables.** An accurate identification of deliverables facilitates management and control of system development projects. Templates are provided to facilitate more rapid, consistent, and professional production of these components.
- **Effective interfaces with related processes.** In order to facilitate the work to be done in each process area, each activity in Concert includes identification of related impacts on project management, on quality assurance, on configuration management, and on reuse management.

#### 9.4.2 Sample Methodologies

Each project will be unique from the others and require a development methodology specific to and appropriate for its circumstances.

Over the course of the VEAA Initiative, Team CGI-AMS and our Commonwealth partners will conduct a variety of projects, such as package implementations, custom-developed modules and interfaces, and business process re-designs. They will involve a variety of technologies, such as mainframe, UNIX, and Internet. Each project will be unique from the others and require a development methodology specific to and appropriate for its circumstances. Team CGI-AMS and its Commonwealth partners will select the appropriate methodology for each project. In any case, the specific methodology will be used within the general framework of Concert. In this section, we present a sampling of development methodologies that CGI-AMS has used successfully and that we are likely to use in the VEAA Initiative:

- Rational Unified Process
- Business Process Management
- Business Requirements Definition.

##### 9.4.2.1 Rational Unified Process (RUP) Methodology

The Rational Unified Process (RUP) methodology provides a concise and manageable development approach to solutioning. It differs from the traditional “waterfall” approach in which all requirements are defined in a single phase of the project, the entire system is designed in the next phase, then coded and tested. Instead, using RUP, developers deliver functionality in small increments with subsequent iterations. Each iteration builds on the previous iterations, and each iteration is driven by use cases rather than attempting to build a subsystem at a time. It clearly defines the separation of traditional phases of requirements gathering, design, development, and implementation into a logical, simple, and repeatable process.

This approach allows an overall architecture to be implemented in manageable pieces and reduces overall risk.

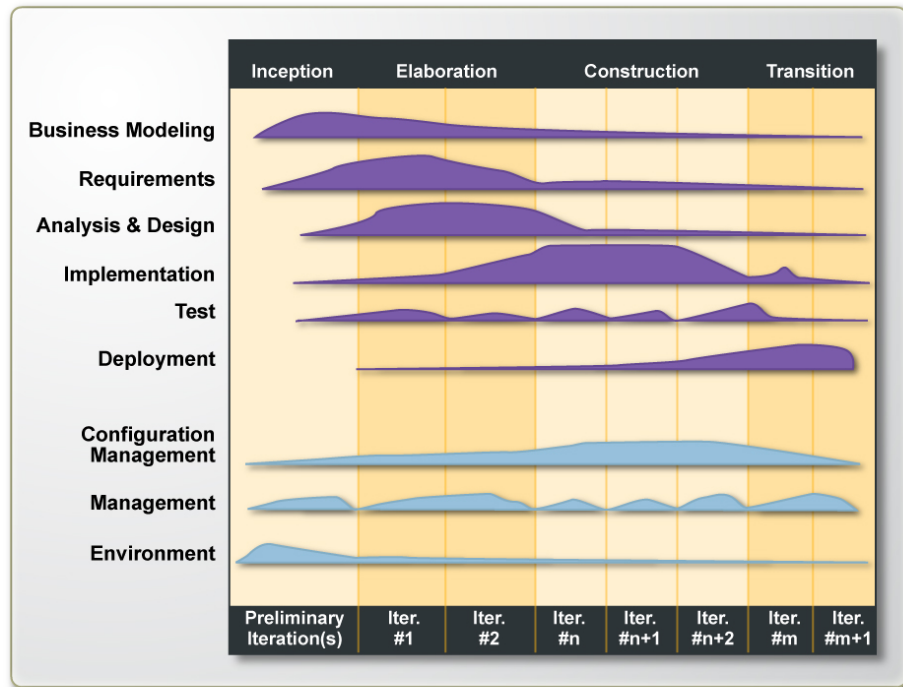
This approach allows an overall architecture to be implemented in manageable pieces and reduces overall risk. It allows users to see a preliminary version of the solution before requirements are locked down, enabling them to better understand how their new system will work in practice. This positions the users to ask for functionality that will vastly improve the processes they support. RUP also provides a disciplined approach to assigning tasks and responsibilities. The delivery methodology, consisting of four phases, is embedded and supports quality and timeliness of solution delivery.

RUP is a completely customizable and scalable systems development methodology that stresses iterative and controlled development. As a commercial methodology, it is aimed at improving the effectiveness of application development by targeting the entire development lifecycle. RUP stresses iterative

and controlled development; development occurs in repetitive cycles that include all key development activities. RUP maintains tight control around the development environment and the work products needed to maintain an efficient and effective development process.

Exhibit 9-14 shows the phases that compose the RUP methodology.

**Exhibit 9-14 RUP Phases**



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These activities are not separated in time. Rather, they are executed concurrently throughout the life of the project. As Exhibit 9-14 indicates, some, but not much coding is written early in the project lifecycle. Late in the project, most of the requirements are known, but some new ones are still identified.

The RUP-based approach manages each iterated release through four sequential phases. At each phase-end an assessment is performed to determine whether the objectives of the phase have been met. A satisfactory assessment allows the project to move to the next phase; the phases are shown in Exhibit 9-15.



**Exhibit 9-15 Rational Unified Process Phases**

Phase	Activities
<b>Inception</b>	<ul style="list-style-type: none"> <li>Establish project's scope, including an operational vision and acceptance criteria</li> <li>Identify critical use cases of the system, the primary scenarios of operation that will drive the major design trade-offs</li> <li>Exhibit, and possibly demonstrate, at least one candidate architecture against some of the primary scenarios</li> <li>Describe project objectives and a preliminary plan</li> <li>Estimate more detailed plans &amp; costs for the elaboration phase that will immediately follow</li> <li>Identify potential risks (the sources of unpredictability)</li> <li>Prepare the supporting environment for the project</li> </ul>
<b>Elaboration</b>	<ul style="list-style-type: none"> <li>Further detail Use Cases established in the Inception Phase to a level sufficient to drive the development effort in the construction phase</li> <li>Address architecturally significant risks of the project</li> <li>Establish a baseline</li> <li>Demonstrate that the baseline architecture will support the requirements of the system at a reasonable cost and in a reasonable time</li> <li>Establish a supporting environment</li> </ul>
<b>Construction</b>	<ul style="list-style-type: none"> <li>Minimize development costs by optimizing resources and avoiding unnecessary rework</li> <li>Develop multiple versions (alpha, beta, and other test releases) as rapidly as practical</li> <li>Complete the analysis, design, development and testing of all required functionality</li> <li>Iteratively and incrementally develop a complete product that is ready to transition to its user community</li> <li>Decide if the software, the sites, and the users are ready for the application to be deployed</li> </ul>
<b>Transition</b>	<ul style="list-style-type: none"> <li>Beta testing to validate the new system against user expectations</li> <li>Beta testing and parallel operation with the legacy system being replaced</li> <li>Converting operational databases</li> <li>Training of users and support staff</li> <li>Tuning activities such as bug fixing, enhancement for performance and usability</li> <li>Assessment of the deployment baselines against the complete vision and the acceptance criteria for the product</li> <li>Achieving user self-supportability</li> <li>Achieving stakeholder concurrence that deployment baselines are complete</li> <li>Achieving stakeholder agreement that solution is consistent with the vision evaluation criteria</li> </ul>

Each phase in RUP can be further decomposed into iterations. An iteration is a complete development loop resulting in a release (internal or external) of an executable product, a subset of the final product under development, which grows incrementally from iteration to iteration to become the final system. Each iteration goes through all aspects of software development—that is, all core workflows (business modeling, requirements, analysis & design, implementation, test and deployment), although with a different emphasis on each core workflow

depending on the phase. Consequently, the artifacts (deliverables) become more robust and complete over time.

#### **9.4.2.2 Business Process Management**

Business Process Reengineering involves 1) assessing the effectiveness of “as-is” business process, 2) defining “to-be” processes to meet strategic, organizational, and functional objectives, 3) implementing an effective transition management process that stimulates high rates of adoption, 4) monitoring performance to measure progress, 5) identifying and mitigating risk, and 6) making changes when needed to improve process and system performance.

To accomplish this, CGI-AMS has created its Business Process Management (BPM). BPM provides a framework for defining and documenting processes, communicating those processes, documenting desk level procedures to support the processes, and actively managing the processes. It is through BPM that operational efficiencies are introduced following a critical path to take high value opportunities (e.g., as reducing error rates or streamlining steps in a work flow to reduce manual hand-offs or handle time).

Team CGI-AMS will manage Business Process tasks using our ISO certified Project Management Methodology. This methodology is the engagement delivery component of CGI’s Client Partnership Management Framework (CPMF) and is based on standards from the Project Management Institute and the Project Management Body of Knowledge. The set of CPMF frameworks unite the methodologies and disciplines employed on each engagement.

CGI understands that methodology alone is not a solution. We also provide a skilled team who can and will provide the leadership to leverage these methodologies and tools to the fullest to help transform the Commonwealth’s business processes to a cost-effective, world-class operation. And, as processes are reengineered, we “keep the trains running” while implementing the change. In other words, Team CGI-AMS will manage an orderly transition to the new solution that is transparent to users and their customers.

Below we present the key components that we will make available to the VEAA Initiative as individual projects require:

- Business Process Modeling
- Lifecycle business process management
- Business Process Integration
- Business Process Automation
- Workflow Automation
- Collaboration Tools.

##### *9.4.2.2.1 Business Process Modeling*

Through all phases of a project within the Initiative, from Due Diligence through assimilation and training, and certainly during optimization, CGI-AMS employs business process modeling techniques that reflect quality standards. Experienced process engineers select the ideal technique from among workflow modeling, traditional process modeling, event modeling, case modeling, or another industry recognized modeling technique. The process engineers will coordinate with

**We provide a skilled team who can and will provide the leadership to leverage methodologies and tools to transform the Commonwealth’s business processes to a cost effective, world-class operation.**

**Business Process Management enables businesses to maximize business processes, involving people, systems, and partners.**

VITA to make certain that the techniques we use are compatible with Commonwealth practices, as necessary.

#### *9.4.2.2.2 Lifecycle Business Process Management*

BPM enables businesses to maximize business processes, involving people, systems, and partners. Our BPM methodology is designed to accelerate business processes and reduce associated operational costs by identifying and eliminating business process bottlenecks. The gains are typically seen as increased employee productivity, reduced labor and processing costs, reduced transaction cycle time, and higher customer satisfaction. The Lifecycle Business Process Management component governs the “how’s” of performing business and systems analysis, gathering and specifying business and technical requirements, assessing change impact (and verifying consistency and integration with existing processes), estimating level of effort, conducting cost-benefit analysis, identifying the metrics to measure existing and re-designed processes, documentation, testing, and deployment.

#### *9.4.2.2.3 Business Process Integration*

One goal of BPM is to identify business processes that cross applications. We look for synergies to leverage processes across applications within a business function and between business functions. Opportunities to benefit from these synergies may be submitted to the Project Change Management process for potential inclusion in the instant project or some other project.

#### *9.4.2.2.4 Business Process Automation*

For significantly complex and error-prone business processes, we look for opportunities to automate the process, such as a process that crosses multiple applications and requires synchronized data updates. As we learned during Due Diligence, there are numerous examples of duplicate data entry; this is the kind of business problem to which business process automation is targeted. Team CGI-AMS has tools and templates to determine how business process automation may contribute to the objectives of lowering the cost of performing a process, while preserving or improving quality, and providing greater agility in responding to demand for change.

#### *9.4.2.2.5 Workflow Automation*

Similar to business process integration but generally focused on manual business processes, workflow automation identifies opportunities to improve work within a group and the hand-offs between business groups. Of course, workflow automation is enabled by technology. CGI-AMS aggressively looks for opportunities to introduce proven technologies to augment workflow.

#### *9.4.2.2.6 Collaboration Tools*

Just as workflow automation decreases cycle time, collaboration tools (and web access tools) facilitate monitoring and managing disparate team members. In a complex, geographically dispersed team, collaboration tools help coordinate and manage the project and the process of service delivery. During transition, CGI-AMS will evaluate tools currently used by the Service Delivery organization to determine whether these tools are adequate for the long term, or whether changes in collaboration tools will be cost-effective.

**"The hardest single part of building a software system is deciding precisely what to build." – Frederick Brooks *"No Silver Bullet: Essence and Accidents of Software Engineering"***

### 9.4.2.3 Business Requirements Definition

CGI-AMS's methodology for defining and documenting business requirements has resulted from conducting thousands of technology-based projects over 30+ years. Like all of our methodologies and frameworks, it balances discipline with flexibility. We understand that rigor is important to efficiently delivering a consistent, high quality result and that each business situation requires judicious adjustment of the methodology.

Our business requirements definition methodology consists of three major steps: Elicitation and refinement, analysis, and verification.

#### 9.4.2.3.1 Elicitation and Refinement

Requirements elicitation and refinement involves drawing out functional and non-functional business requirements, from the user community. If available, this step can begin with an existing set of requirements that can serve as a starting point. In the case of the VEAA Initiative, Team CGI-AMS already has an existing set of requirements that we have accumulated from earlier projects with the Commonwealth but especially from the Due Diligence activity in which we participated earlier this year.

The approach to elicitation varies according to the type of project. For example, for systems integration projects, such as the implementation of a COTS solution, particular focus is applied to the functionality of interfaces to the Commonwealth's environment and enhancements to the base product that support the Commonwealth's business rules or constraints. In addition to functional requirements, those that define what the software must do to enable users to accomplish their tasks, we will also define non-functional requirements. These describe software characteristics such as look and feel, usability, and legal requirements.

Team CGI-AMS will create a list of questions and data requests and vet this list with Commonwealth staff. These questions and data requests will be targeted to specific business areas and will fill in needed detail and gaps from Due Diligence. Next, we will meet with Commonwealth staff to create a list of people knowledgeable of the Commonwealth's business processes with whom we will meet to gather requirements. We expect most of our requirements gathering sessions will involve groups of related users in order to expedite the process and minimize the impact on people's time. Our trained facilitators will conduct these sessions to confirm, as necessary, existing requirements and elicit additional functional and non-functional requirements. We will seek to refine these requirements to a level of detail that enables us to determine a viable conceptual design for a solution to the particular business needs being targeted. In addition, this process will elicit the users' acceptance criteria for validating that their requirements have been met. These criteria will indicate the functionality and quality standards the delivered solution must meet and will provide the basis for creating test scenarios and cases that will validate that requirements are met.

These refinements will result in a specific set of agreed upon-requirements that fulfill the Commonwealth's needs. Requirements elicitation and refinement continues throughout the project as new information or changing business needs come to light.

#### 9.4.2.3.2 Analysis

In the analysis phase, the solution and the requirements are compared, adjusted, and compared again until the solution is represented in a Conceptual System Design that addresses the requirements. The Conceptual System Design includes definition of specific functional subsystems based on an overall system architecture. If the Conceptual System Design includes the reuse of system components, these components must be identified at this time. Reuse is a cost-saving technique that also tends to reduce risk and uncertainty. We will consider reuse of components, subsystems, or entire systems wherever practical. Finally the Conceptual System Design identifies the external interfaces that are required. Existing legacy systems, databases, hardware, and the intended users of the system all have environmental impacts on the new solution. The Conceptual System Design defines the touch points where the new system integrates into other client business systems.

**We will review the Conceptual System Design and Traceability Matrix with Commonwealth users and stakeholders so they will have an opportunity to agree that they have been correctly understood.**

Team CGI-AMS will also create a Traceability Matrix that maps requirements to their origin and to their solution. To establish traceability, each requirement will be uniquely identified. The Traceability Matrix provides for tracing a requirement to each stage of development and testing. As work products and deliverables are completed, the traceability matrix is updated with appropriate traceability information.

We will review the Conceptual System Design and Traceability Matrix with Commonwealth users, stakeholders, developers, and others who have contributed to the development of requirements so they will have an opportunity to agree that they have been correctly understood. By reviewing the documented requirements, the developers who must build the system solution have an opportunity to agree that the documented requirements are understandable, unambiguous, and provide a base for building a viable solution or to clarify the intent of the user.

#### 9.4.2.3.3 Verification

Verification is the fourth part of the iterative requirements definition process. Like specification, it should occur iteratively as Team CGI-AMS analysts meet with Commonwealth users and make sure they understand and have correctly documented the requirements. Verification has some final steps that not only contribute to good requirements but also contribute to the development of a good testing effort for the software implementation.

A Key Process Area activity of the Capability Maturity Model Requirements Management is to certify the testability of requirements. Therefore, part of the verification process is to verify testability. Team CGI-AMS testers will review requirements to determine their testability. They will create test scenarios in which they can envision several test cases that would test the requirement and its acceptance criteria. A requirement is at the right level of detail if a tester can envision several test cases by which the requirement can be verified.

Team CGI-AMS will also verify the accuracy of the requirements through one or more reviews. These reviews will consist of walkthroughs of the documented requirements with Commonwealth users, decision makers, developers, and

testers. This step is necessary to make sure that we have fully understood the business process and captured requirements correctly.

## 9.5 Change Management for People

*I am not an advocate for frequent changes in laws and constitutions, but laws and institutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened, as new discoveries are made, new truths discovered and manners and opinions change, with the change of circumstances, institutions must advance also to keep pace with the times. —Thomas Jefferson<sup>3</sup>*

Because the VEAA Initiative's impact on Commonwealth government will be significant, it is imperative that change management for people be fully addressed—and the Commonwealth's Statement of Work reflects that requirement.

**"Lack of user involvement traditionally has been the number one reason for project failure. Conversely, the number one contributor to project success has been user involvement. Even when delivered on time and on budget, a project can fail if it does not meet users' needs or expectations."**<sup>4</sup>

As we are aware, all too often technology initiatives fail—but not because the technology or new organization and processes are flawed. Instead, failures occur because there is too little user involvement. User involvement means not only involving end users in the design decisions around the technology, but also in working in partnership with them to develop their skills, motivation, and confidence to work with the new systems and processes as they are implemented.

At the same time, it is important to examine the Commonwealth's current environment to assess readiness to change. Our Due Diligence research revealed some key conditions that lay the foundation for moving forward:

- **A powerful business case for change is being made.** The Council on Virginia's Future has articulated a vision of becoming the best-managed state in the nation. Congruent with this vision is the Public-Private Education Facilities and Infrastructure Act of 2002 (the "PPEA"); the fact that two IT initiatives are under consideration under this new procurement vehicle speaks volumes about the willingness to embrace new business approaches.
- **Leadership desire for change is strong.** Governor Mark Warner is strongly supportive of these proposals, as is his leadership team. Even gubernatorial candidates have publicly endorsed these transformation projects.
- **Stakeholder commitment for change is evident.** Surveys and foundation interviews report a high level of dissatisfaction with the current state. For example: "we are chronically short of staff, the handoff from ..... to ..... is problematic, systems are not user friendly, and responsibility is part-time and low priority." Articulation of these types of issues, combined with a desire to address them (e.g., "we could improve the integration among

<sup>3</sup> Thomas Jefferson, in a letter to Samuel Kercheval, July 12, 1810 (Panel 4 on the Jefferson Memorial)

<sup>4</sup> Standish Group International Inc. 2001.



the systems”), provides a powerful motivator for doing things differently and better.

- **Processes are understood and can be charted by those who work them.** Commonwealth staff talk knowledgeably about the processes they are involved in. They are able to talk through the end-to-end activity and identify the issues, bottlenecks, overlaps, duplications, re-works, and double data entry that is part and parcel of their work. Much of this is described in tones of frustration, indicating a desire to change things for the better. For example, “I’m always looking at potential for efficiency gains in our processes. I ask myself, ‘how can we operate more effectively?’”
- **The decentralized structure enables more direct control of the resources required to change.** Agencies have tremendous operating independence—which may make enterprise solutions more challenging, but each agency then has accountability for results, a sense of ownership and motivation to achieve these, and a responsibility to respond to changes in customer needs and environmental pressures to change.

While we observed these Commonwealth strengths, Due Diligence also revealed key risks that make a change management program imperative for Initiative success:

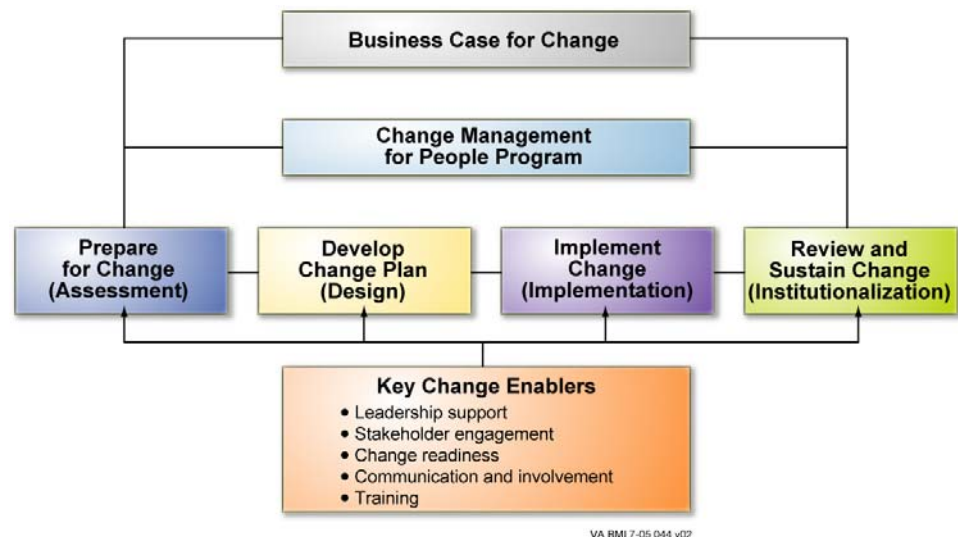
- **Vision clarity is not shared, and collaboration across agencies is weak.** For an enterprise application project, an overall mission that all agencies subscribe to must be developed. And at a process level, it is evident that generally collaboration across agencies is weak. There are numerous examples of agencies developing custom systems and processes for their own operational effectiveness when integration and collaboration with other agencies could result in operational efficiencies. Ties of values, core competencies, and ways of doing business across functional areas must be forged or project implementation will fail.
- **There are few forums for widespread communication across and within functions.** There are few forums for knowledge sharing, learning from best practice, or taking lessons from experience and passing them on to others in similar situations. Reporting on one enterprise application, a survey respondent said, “We should have done things better: we needed an agreed vision, examples of best practice, and mandated performance measures. We found out too late that we could have learned from others who had come to the same conclusions on different projects.”
- **Change is a real challenge within agencies.** At an individual level there is evidence that staff are not accustomed to change and are ill-equipped to deal with change. The 2004–2005 State Workforce Planning Report lists a number of barriers that contribute to developing change capability: limited number of current staff, over reliance on wage employees, weak succession planning, and limited training budgets.
- **Lack of strategic planning and future thinking will hamper successful implementation.** Agencies tend to be focused on delivering the day-to-day requirements under resource constraints and with inefficient systems and processes. This limits the amount of time available for strategy development and longer term planning. The enterprise application project is a long-term one that requires individual agencies and the Commonwealth as a

whole to develop and subscribe to the future vision, and then meticulously plan to deliver it. Developing the strategy and plans requires resources.

With these conditions in mind, Team CGI-AMS brings the expertise of SiloSmashers, an 8a Virginia-based SWAM company, to bear on change management for the Commonwealth. SiloSmashers offers significant and recognized expertise in change management. Its highly skilled personnel draw on a range of tools and techniques to provide clients with comfort as they tackle the risky business of change. Currently SiloSmashers is working with the federal government on several large scale projects within GSA, including the federal E-Gov project (with teams on e-authentication, Integrated Acquisition Project). These projects are of a size and scale equal to the VEAA Initiative—all requiring unifying and simplifying of processes, systems, and measures, together with significant outreach and communications to stakeholders across multiple agencies.

Team CGI-AMS's proposed change management program is pragmatic and business-centered: it starts with the business case for change. A program is then designed around the four typical stages (preparing for change, developing the change plan, implementing the change, reviewing and sustaining the change). During each of these stages, the program draws on five enablers of change management (leadership support, stakeholder engagement, change readiness, communication, and training). Exhibit 9-16 provides the high level overview.

**Exhibit 9-16 Change Management High Level Overview**



**Please note that SOW requirements for Change Management for People, Communication, and Training are addressed in this section.**

The description, detail, and discussion below are informed by our understanding of Commonwealth culture, operating environment, and capability. We recognize the invaluable experience that Commonwealth employees have both of their business and also of changes that they have managed. It is critical that this experience is used in the design and implementation of our change management approach. As Robert Schultze, (now Director, Virginia Retirement System, but

formerly leading the TAX/CGI-AMS Partnership Project) remarked during our Due Diligence research:

*The CGI-AMS team had the right approach to change management. They involved our people from the get-go.*

Through involving experienced Commonwealth staff, we are confident that change created by this Initiative can be successfully managed.

### 9.5.1 Business Case for Change

The Business case for change has been well stated by the Council on Virginia's Future and is reiterated in the Enterprise Business Architecture Report:

*Enterprise architecture (EA) in the Commonwealth starts with a strategic framework that is driven by the business of the enterprise, and the corresponding business strategies, visions and goals. An effective EA establishes a process that is focused on building and maintaining an enterprise-wide business, information, solutions, and technical infrastructure and architecture that is adaptable and that best enables the business activities of state government in an ever-changing environment.<sup>5</sup>*

Thus, the foundational element of the business case (shown in **Error! Reference source not found.**) is in place, well documented, and well communicated. However, even with this business basis, the VEAA Initiative will be exposed to a significant risk to success if Commonwealth agencies and their workforces are not handled with sensitivity to their unique cultures, ways of doing business, capabilities, and experience. These aspects of the Commonwealth's human capital must be enhanced, rather than diminished, as the VEAA Initiative rolls out.

### 9.5.2 Change Management for People Program

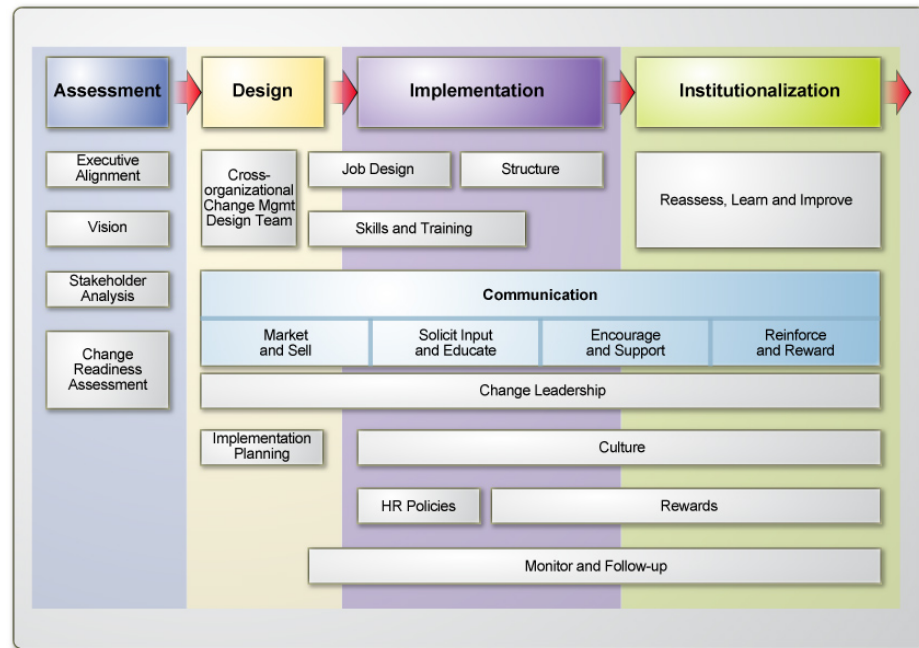
Broadly, our Change Management for People approach is based on principles of involvement, collaboration, and participation of employees in the changing situation. We have a range of tools, techniques, and methodologies and will deploy these appropriately as we more fully understand the specifics of each Agency's situation and need. However, based on our Due Diligence observations, we believe that the four-stage approach (assessment, design, implementation, and institutionalization) is a good model for the Commonwealth.

As shown in Exhibit 9-17, we will build a Roadmap with the Commonwealth during the early stages of project management planning that tracks against these four stages. It will be accompanied by a detailed plan with activities, milestones, critical success factors, and measures, aimed at helping employees and agencies with the task of transitioning from the current to the future state.

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<sup>5</sup> Commonwealth of Virginia, Enterprise Business Architecture, Version 1.0, March 7 2005.

**Exhibit 9-17 Change Management Blueprint**

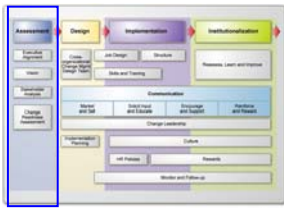


The discussion following describes the four stages of the Change Management blueprint, which we will iteratively re-use for each new VEAA project. Note that the phases of the Rational Unified Process Methodology (RUP) described in Section 9.4.2.1 and the change management phases are in a dynamic relationship with change management paced to support RUP.

### 9.5.2.1 Stage 1: Assessment

#### 9.5.2.1.1 Vision

One of the first activities of change management is to create alignment among leaders and key stakeholders on the vision or “To-Be” state of the enterprise within a specified timeframe. The aim is to arrive at a brief and communicable aspirational statement of the enterprise's purpose. This purpose needs to become a memorable and workable “flag” behind which staff and stakeholders will willingly muster and follow as they transition from the current state to the future state. The Council on Virginia’s Future has already articulated a detailed vision for the Commonwealth, shown in Exhibit 9-18.



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### ***Exhibit 9-18 Vision of the Council on Virginia's Future***

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Building on a centuries-old heritage of leadership, achievement and commitment to the success of all its citizens, and with an abiding commitment to the rich historic and natural resources of this Commonwealth, we aspire to responsibly grow our economy to provide an enviable quality of life. To do so, we must ensure an attractive business environment, challenging and rewarding jobs reflective of a changing marketplace, and strong growth in personal income throughout all regions in the Commonwealth.

We aspire to increase the levels of educational preparedness and attainment of our citizens throughout all regions in the Commonwealth because an educated, well-trained citizenry, committed to lifelong learning, provides the greatest opportunity to responsibly grow our economy.

We have a responsibility to be the best-managed state in the country. To do so, we must have a focused vision, and a fiscally responsible system that provides clear, measurable objectives, outcomes and accountability, and that attracts, motivates, rewards and retains an outstanding state workforce.

We aspire to have an informed and engaged citizenry so that our citizens can provide knowledgeable input to shape the vision of the Commonwealth, identify appropriate service levels and assess progress.

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#### ***9.5.2.1.2 Executive alignment***

This is typically accomplished with an executive conference/seminar. In this case it will focus on ensuring Agency executives are on the same page with the VEAA Initiative. Evidence gathered during Due Diligences demonstrates that there has already been considerable effort put in by the Commonwealth to do this (the “high touch” approach of the Due Diligence process itself is one example). However, the time lag between Due Diligence and the forecasted start date of the Initiative highlights the need to reconfirm executive alignment.

During the conference/seminar, executives agree on the vision, timetable, performance metrics, and key communication messages; assign executive sponsors to act as champions for key initiatives (in line with the governance model); and charter a change management design team composed of Commonwealth and Team CGI-AMS personnel (to work within the PMO). The change management vision must reflect “one voice” leadership in articulating and role modeling it. Leaders who disagree or who are in discord on direction will lead the projects into misalignment, resulting in unsuccessful outcomes.

#### ***9.5.2.1.3 Stakeholder analysis***

Stakeholder analysis is critical to the success of the VEAA Initiative. Key stakeholders are those individuals and groups who can influence for good or bad the success of the change effort. Exhibit 9-19 illustrates a way of thinking about stakeholders that relates to their degree of involvement or commitment to the Initiative, rather than exclusively their job types.

**“Organizations can’t stop the world from changing. The best they can do is adapt. The smart ones change before they have to.” Price Pritchett<sup>6</sup>**

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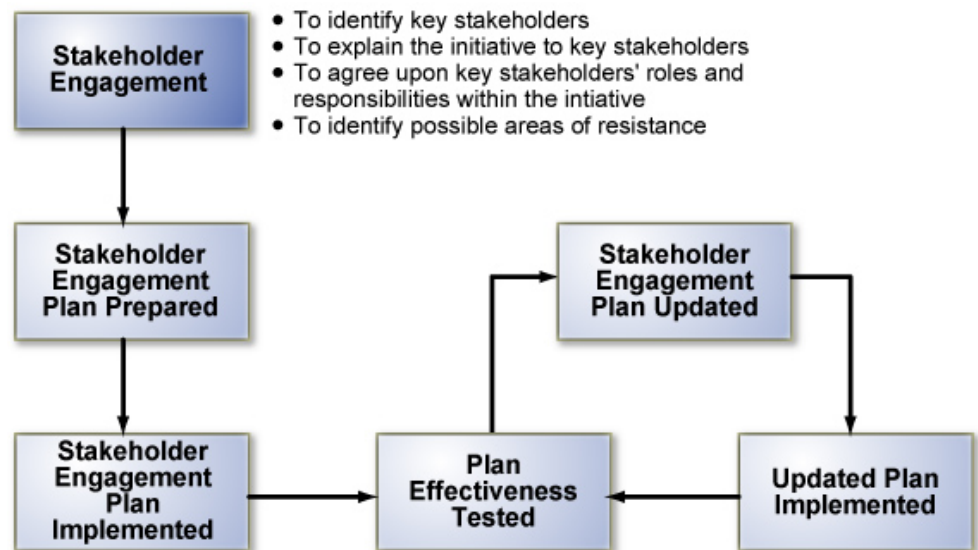
<sup>6</sup> *Interim Report of the Council on Virginia's Future*, January 2005

**Exhibit 9-19 Stakeholder Groups**



CGI-AMS Team member SiloSmashers' experience in stakeholder analysis with federal government, commercial, and non-profit sector clients allows the team to accurately analyze the current "map" of stakeholders. Then we can plan actions with each stakeholder group, understand their issues and concerns, and become aware of the keys to their energy and motivations—elements required to create and sustain long-term momentum. The product of our analysis is a stakeholder engagement plan spelling out an overall strategy to engage key stakeholders in terms of roles, concerns, methods to garner support, timetable, and progress monitoring. The goal of stakeholder engagement is to create buy-in for a change project, minimize opposition to it, and develop ownership for it through careful application of commitment strategies. We will use a systematic approach, summarized in Exhibit 9-20, to engage key stakeholders.

**Exhibit 9-20 Stakeholder Engagement Path**



VA BMI 7-05 022 v01



Briefly, this involves

- Careful analysis that identifies individuals or groups affected by and capable of influencing the VEAA Initiative. (Assessment of stakeholders and stakeholder issues is necessary to identify the range of interests that need to be taken into consideration in planning actions that could potentially help or hurt progress toward goals).
- Preparing an engagement plan that takes stakeholders from where they are to where you want them to be for project success. We use a variety of methods to engage stakeholders including: facilitated sessions, interviews/focus groups, analysis tools, mapping techniques, action planning, and action management.
- Implementing the plan with the aim of achieving the following:
  - Identification of forces for and against successful program implementation
  - Identification of potential blockers and supporters and how to move them from where they are now to where you need them to be
  - Development of more complete understanding of political barriers to implementation
  - Creation of space and time for critical dialogue among and between stakeholder groups
  - Establishment of key input for communication strategy
- Testing the plan against agreed success measures, e.g., movement up the change curve (see Exhibit 8-5). (In our view, people become engaged when the personal price/benefit perception has been accepted: when the benefit of the change is perceived to be greater than the cost and risk of change).
- Updating the engagement plan as the project gains traction. It is important for change leaders to remember that people will need time to work through and come to their own conclusions about the benefits of the VEAA Initiative. It is also unlikely that this perception will remain the same throughout the Initiative. People will reevaluate as the program progresses and that inevitably means that some people will change from a negative perception to a positive perspective, and vice versa.

#### *9.5.2.1.4 Change readiness assessment*

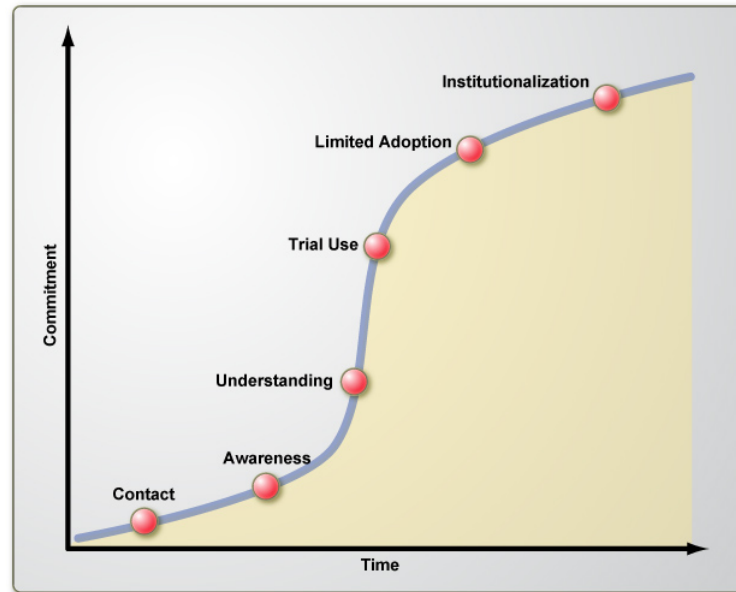
Change Readiness is the extent to which stakeholders in an initiative recognize and accept the need for change. It is determined by assessing a number of aspects of the organization including leadership to manage change, levels of commitment to change, and strength and extent of barriers to culture and process changes.

The Change Readiness Curve shown in Exhibit 9-21 illustrates where people typically are in relation to a new product, service, or system. Take the example of a Blackberry handheld device. Only a few years ago you probably had very little **contact** with Blackberry products (you might have read about them in the IT press). A few months later you might have been **aware** that you'd seen several people using them and you began to be curious about them. You visited a few web sites and some sales outlets to increase your **understanding** of the capability and use of a Blackberry. You bought one to try out. Simultaneously other people began to **trial use** them. Over the next year or so more people

began to use them. There was now **limited adoption** of Blackberries—usually by senior people in organizations. Today not only you, but almost everyone you know has a Blackberry and thinks they can't function without one. Blackberries have now reached the stage of **institutionalization**.

It is the same with technology implementations. People impacted by a change have to reach the top of the change curve before the change is successfully embedded.

**Exhibit 9-21 Change Readiness Curve**



VA BMI 7-05 018 v01

In the case of the Commonwealth, in order to identify areas for quick wins and to prioritize project implementations, we recommend that change readiness assessments be conducted in the 46 agencies that participated in the Due Diligence effort (on the assumption that these will be the agencies where the Initiative begins). The change readiness assessment will help Commonwealth decision makers understand where people are on the change curve as they work with the VEAA Initiative. Agencies whose people are closer to the top of the curve in relation to the Initiative will need less preparation for it than people who are at the bottom of the curve.

Change readiness assessments are valuable because they clarify change issues associated with a particular program and enable plans to be developed to take people from a current state of change readiness to the required state for successful implementation of the Initiative. Specifically, assessments highlight:

- How far people subscribe to the organization/initiative vision
- How much commitment to the planned initiative needs to be built
- How peoples' performance and skill level are likely to impact the success of the initiative
- The need for a culture and behavior change activity

- The need for change in the organization's structure.

The usual form of change readiness assessment is a survey combined with face to face interviews of individuals or groups and follow up interviews as appropriate. In this respect, Change Readiness Assessments follow the research model used in Due Diligence. But in order to avoid Agency "survey fatigue" as the project progresses, we will draw on an array of change readiness assessment tools:

- Cross-section of individual interviews by stakeholder, function, and level
- Electronic groupware sessions with specific small groups of employees and other stakeholders
- Review of any existing survey data and other appropriate existing studies or documentation
- Future Search Conferences
- Organizational Culture Inventory
- Team Effectiveness Inventory
- Change history assessment
- Change readiness workshops
- Stakeholder analysis.

These we will use judiciously to get the most relevant information with the minimum interruption to the day to day work of Agency staffs.

Exhibit 9-22 below illustrates the results of a change readiness assessment. With this snapshot of current change readiness the change management team has insight into the areas that need to be addressed, including communication from management, demonstration of commitment, clarity or alignment of vision, and potential points of resistance. From this assessment, the team can take action to address any issues.

**Exhibit 9-22 Example Change Readiness Assessment Results**



VA BMI 7-05 015 v01

Team CGI-AMS'S approach is to continue change readiness assessments through the life of the initiative, as new projects are added to the portfolio. Thus change readiness assessments will keep pace with the implementation plan of the initiative.

### 9.5.2.2 Stage 2: Design

#### 9.5.2.2.1 Cross-organizational change management design team

The design team will be composed of Team CGI-AMS members and a cross-section of Commonwealth staff, chosen to represent the interests of stakeholders at all levels of the organization. (The Due Diligence "Tower Team" composition illustrates the value of this type of approach). To design and implement an effective and efficient transition, the team has to have clear line of sight to work processes as they are managed at each level in the organization and have people working on the team who are capable of influencing others, negotiating, and lobbying effectively on behalf of the project.

The design team composition may change as the implementation proceeds, but throughout the lifetime of the project there will be a change management team. Determining the correct membership of the design team requires care and attention. In our experience, it is critical to enlist the correct personnel to be involved, as they are going to be the visible face of the Initiative. The role of the change management design team includes marketing, communications, and customer relationship management. As the TAX Partnership Program demonstrates, change management team members have to have the skills, capability, and experience to really champion the Initiative at every step.

#### 9.5.2.2.2 Effective communication

The communication plan develops during the assessment stage but is designed in detail and begins to be implemented during the design stage. To maximize communication visibility, we will involve top management, as well as personnel and communications staff from the Commonwealth, in developing and monitoring this strategy. Specifically, we will draw from the Commonwealth experience on eVA, the Tax project, and in establishing and transitioning its IT support functions to VITA.

Also, Team CGI-AMS member firms have participated in a number of projects where effective communication was a critical success factor. For example, for the federal General Services Administration Enterprise Architecture program, Team CGI-AMS member firm SiloSmashers developed a set of integrated strategies featuring elements of improved communications, customer-centric EA product development, formation of EA practice communities, and obtaining enhanced funding. SiloSmashers personnel have been a key part of the planning, design, and implementation of all communications activities of the GSA E-Gov Initiatives Program Management Office and its five individual E-Gov presidential initiatives. These government-wide initiatives involve change management in all federal government agencies and have required the expertise



**"Individuals you select for these teams must be capable of influencing colleagues, acting as change agents, and being proactive in doing the required work."**<sup>7</sup>

<sup>7</sup> Naomi Stanford, (SiloSmashers Business Transformation Consultant), *Organization Design: The Collaborative Approach*. Elsevier 2004.

of top internal communications specialists. In addition, some of the initiatives are citizen facing, requiring an effective external communications and public relations strategy as well. This experience on large-scale projects will inform our communications program.

**Communications Team.** A communications team will be created as part of the change management design team to develop and deliver the communications plan. Our communications team will be composed of specialists familiar with and experienced in communication involving the specialized and technical processes (such as business process reengineering, delivery milestones, project benefits, and the necessary metrics) to audiences not necessarily versed in the specialties. SiloSmashers' Communications Competency Director is a published expert in communications, and she and her team will provide communications services on an as needed basis throughout the lifecycle of the VEAA project. Commonwealth participation is as critical to communications as it is to other aspects of change management, so the team will also include Commonwealth employees with the experience and knowledge of what types of communication work in the Commonwealth.

**Nature of Communication.** In our experience, supporting far-reaching change requires persuasion communication. The purpose of persuasion communication is to take the audience through four steps that lead to eventual adoption of the program. Fundamentally, all audiences must be moved by appropriate communication and involvement through the stages of awareness, understanding, buy-in, adoption—and in key cases, agency sponsorship. In the “awareness” step, the program will be marketed to the appropriate audiences highlighting the specific benefits to those audiences. The objectives of the “understanding” step are to educate the audiences on the features of the program and to solicit their input on the program’s use. The “buy-in” step requires communications strategies and tactics that encourage and support embracing the program. Finally, the “adoption” step reinforces and rewards the use of the program. Without this sort of persuasion communication, negative concerns of internal stakeholders can solidify into active opposition rather than adoption and use.

Exhibit 9-23 shows a mix of tactics that we have found effective in change adoption, and a customized set of these tactics would be used in a communications plan for VEAA.

***Exhibit 9-23 Communications Activities to Support Change Adoption***

Stages of Change Adoption	Communications Activities
Awareness and understanding	Familiarization through regular information flow; meetings, e-mails, print, earned and/or paid media
Buy-in	Persuasion through personal meetings, meetings, demonstrations, training, continuing information flow
Adoption and use	Training and support, continued information support
Sponsorship	Inclusion and deep involvement in planning, information sharing, development of ownership

**Communications Planning.** Exhibit 9-24 provides more detail about the communications planning cycle. It is important to note that communications is a continuous process and will be a vital support program for the life of the project. In the early stages, communication will have a strong change management purpose. As the project continues, communication will provide more of a front end to knowledge management—so that affected audiences can understand where to get more information on continuing strategy and plans, training programs, or other resources that can help them understand the Initiative, its impacts, and their role in its success. The communications program will also be prepared with procedures and template plans for crisis communications, should there be a need for fast response to an emerging issue.

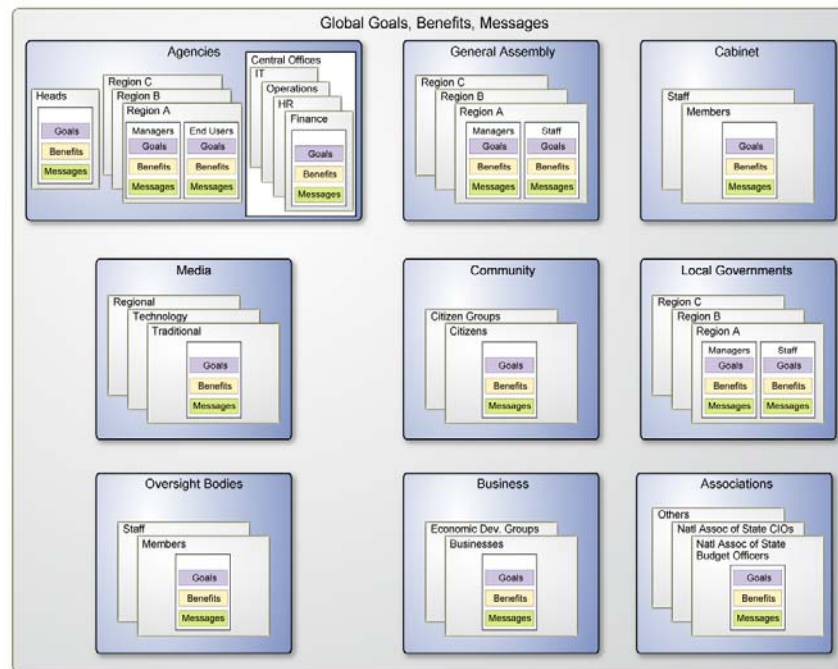


## Exhibit 9-24 The Communications Planning Process

Stage	Description
Research	The first stage is the research necessary to assess the audiences and the environment, and establish a baseline for measurement of success. Using in-depth personal interviews, phone surveys, focus groups, media audits, and the like, we will gather the information necessary for audience segmentation and environmental analysis. This segmentation and environmental assessment will provide the basis for the message development and delivery phases of the communications plan.
Communications Plan Development	<p>The written communications plan will be composed of nine major parts.</p> <ul style="list-style-type: none"> <li>Background: What issues or events got us to where we are today?</li> <li>Situation Analysis: What's going on now?</li> <li>Stakeholder Audiences: Who cares? Who will be affected? The goal is to identify primary and secondary audiences, both internally and externally.</li> <li>Strategy: What do we want to accomplish? The key is to focus on the top three or four objectives for the entire program.</li> <li>Messages: What are the top three or four global points that have to get across? What are the top two or three sub-points for each stakeholder audience?</li> <li>Tactics: What specific tasks will we undertake to convey our messages?</li> <li>Timeline and Responsibilities <ul style="list-style-type: none"> <li>When will these tasks begin and end?</li> <li>What project milestones or events will trigger which tactics?</li> <li>Who is responsible for getting them done?</li> </ul> </li> <li>Budget: How much will it cost?</li> </ul> <p>With the information in the communications plan, the communications team also will provide a strategic and tactical matrix that will allow at-a-glance assessment of the strategies, tactics, and timelines for each audience, as well as possible challenges and mitigations.</p>
Implementation	The communications operation will be housed with the PMO and will participate actively in planning and status discussions to retain close integration with the Program. The communications team will be available for rapid response to specific needs of the Program or specific projects, including crafting presentations and responses that effectively deliver the project messages.
Measurement	Metrics will be developed in order to measure success and allow us to refine tactics as necessary. Both subjective and objective measurements will be used in order to provide a clear and quantifiable scoring process: beyond meeting milestone deadlines, we will measure key audience feedback, stakeholder response, and message effectiveness/degree of acceptance. Dashboards and scorecards may be developed as measuring tools.
Message Refinement	As the project evolves, messages to each audience will be adapted to the changing environment and stage of the project. Regular review of message penetration will guide the team in maintaining a high level of effectiveness.

Because of the nature of change expected and the national visibility that success will engender, we anticipate robust communications programs to both internal and external audiences, as suggested in Exhibit 9-25.

**Exhibit 9-25 Communications Audiences for VEAA Initiative**



VA EAM 7-05 025

- Internal Communications.** People react to what they see and hear going on or to what they guess might be going on in various ways. Communicating effectively goes some way toward helping people understand and participate in projects rather than feeling that things are being “done to” them by outside forces. The goals of internal communications are to educate people about the VEAA Initiative, facilitate communication between all stakeholders and the Initiative/Project Team, and build awareness and understanding of the potential impact of the program and so foster project momentum.

The Program Management Office (Change Management Team) will be responsible for coordinating and communicating program issues, status, and key strategic decisions that directly impact the program. In order to support timely and appropriate communications, detailed communications plans will be created that provide the approach for enterprise-wide communications and support for the VEAA Initiative and related projects. It is through the execution of this plan that all parties associated with the program will be informed of program progress and issues.

Exhibit 9-26 is an example of the type of matrix we will develop for internal communications.

### Exhibit 9-26 Internal Audience Communications Matrix

**Initiator: Core Team**

**Audience: Program Executives, Project Managers, Team Leads, Stakeholder Management, and Project Office Team**

Topic	Information	Venue/ Channel	Frequency	Purpose
Program/Project Execution/ Status	Core team project accomplishments, project progress, issues, and challenges	Project Team Lead Meeting/ Individual Team Meeting	Daily	FYA
Program/Project Execution	Status, issues, and challenges	Project Office Meeting, MS Word document in Team Room	Weekly	FYA
Status	Detailed project progress	Status Report (written document)/Project Plans, Located in the Team Room	Weekly	FYI/ FYA
Status	Program status report	Monthly Corporate Status Review/ Media Tool Reporting, Located in the Team Room	Weekly	FYI
Generic Information/ Status	Popular press articles on industry progress related to similar transformation projects	Team Room/ email	Ongoing	FYI

As a quality assurance check on internal communications, we will monitor and measure against questions like these:

- Are we specifying our project in a communicable way?
- Are we thinking about communication all the time and not waiting for “the right time?” Is communication a standing item for discussion on our management agenda?
- Are we defining and targeting the right audience/stakeholder groups? (Has anything changed?)
- Are we leading by action and example (the most effective forms of communication)?
- Is our communication starting from the top? Is there real involvement at all levels? Are we allowing for the power of informal networks?
- Are we using every possible opportunity and channel? (Too much of one thing has limited value.) Are we maintaining a demand for communication? With a tactical action plan and a quality assurance process for communications, we anticipate good support for the Initiative from Commonwealth staff.
- **External communications.** We believe that the Initiative will be highly visible and that a communications program external to affected agencies will be essential. The external program will be developed with the

Commonwealth, but we believe that it should clearly convey program status, build awareness and understanding of the potential impact of the program throughout the Commonwealth and the nation, and publicize successes as indicative of Virginia's national standard setting. We anticipate writing press releases, presentations, emails, and the like for use by Initiative management within the Cabinet, General Assembly, agencies and so on. We also expect that there will be national interest in this program and that Commonwealth executives will be invited to speak at conferences and other events, and the communications team will be prepared to fully support those efforts.

The VEAA Initiative Communications team will work closely with the appropriate government public affairs offices and agency communications departments to offer continuity of message, public relations outreach, and marketing and account support.

One external channel that we believe could offer real value to Virginia is what we are calling the *Knowledge Marketplace*. Virginia has set a high standard, with its recent ranking as the top managed state in the nation. We believe we can contribute to the ongoing maintenance of the "best managed state" standard by publicizing the VEAA Initiative as a "best managed project." Our suggestion is to market the knowledge that the Commonwealth builds as the VEAA Initiative gains traction, branding this knowledge as a suite of products with intrinsic value that the Commonwealth can make accessible and available to people internal and external to the Project Management Office and the Commonwealth. We propose a *Knowledge Marketplace* concept that will share methods of transformation with the wider government community, in areas such as these:<sup>8</sup>

- Building business acumen in implementing large-scale enterprise wide initiatives
- Demonstrating methods of reducing, not creating, bureaucracy
- Preventing silo conflict in state governments
- There are numerous products from this Initiative that we believe are "marketable":
- Measurement and monitoring methodologies, for example mandatory registration of all business cases to make certain that benefits are claimed once, all initiatives are congruent with corporate strategy, and no two initiatives overlap or compete
- Business case library that shares learning from similar business initiatives (the Commonwealth already has experience in managing similar projects and would benefit from institutionalizing this knowledge)
- Checklists of project management best practices that enable similar projects to speed up process, reduce risk with pro formas, reduce learning curves, develop speed to market, obtain e-sign off, and enable more transparent performance monitoring

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<sup>8</sup> *Making a market in knowledge*, Lowell L. Bryan, The McKinsey Quarterly, 2004, Number 3.

- Reports on incidental, intentional, unintentional side effects of program implementation.

#### 9.5.2.2.3 *Change leadership*

**"All of the great leaders have had one characteristic in common: it was the willingness to confront unequivocally the major anxiety of their people in their time. This, and not much else, is the essence of leadership."**<sup>9</sup>

Change leadership work starts early in the project and continues throughout. Leaders of change cannot sit back at any point. They have to be working for the change all the time—this means that they may have to adjust their strategy to change as the context changes. Because changes happen in real time and in often unpredictable ways, change initiatives require proactive leadership. Drawing on SiloSmashers' expertise in coaching leaders to lead change, the cross-organizational change management design team will work with Commonwealth leaders. The team will help leaders build on the what has already been done (and is currently being done) to reinforce and communicate the reasons for the change, demonstrate and build commitment for the change, act as role models for any new skills and behaviors the change requires, and take appropriate accountability for aspects of the change directly related to their own sphere of leadership/management.

Team CGI-AMS's view is that it is important to build leadership support well before the start of any change initiative kickoff, and we observe that the Commonwealth has begun building this support for the VEAA Initiative. For example, the Secretary of Finance and the Secretary of Administration sent out a joint memo soliciting support for the Due Diligence phase. To build on this excellent start, we advise that three main activities be undertaken to build leadership support for the change across the agencies directly and indirectly impacted:

- Ensuring that leaders understand their change leadership role
- Confirming that all leaders directly and indirectly impacted by the change can impart the change vision to their people
- Developing leaders' confidence in their behaviors and skills around change management.

**"Leaders throughout the organization—not just at the top—must be able to create strategy and lead change."**<sup>10</sup>

Our recommended approach is to work with the project leadership team building their understanding and confidence, and to undertake outreach activity to develop similar levels in leadership teams impacted directly and indirectly by the VEAA Initiative. (Note that these are not sequential activities; they should take place concurrently. We have groupware systems that enable us to run workshops that swiftly build consensus, collaboration, and shared understanding).

A change leadership role has a different emphasis from an operational or strategic leadership role. Depending on the individual, we have found that leaders are frequently unaware of this and need coaching and development in specific aspects of change leadership like these:

- Making the change vision clear, inspiring, and shared

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<sup>9</sup> John Kenneth Galbraith, U.S. economist. Taken from *The World Economy Since the Wars*, Mandarin, 1995.

<sup>10</sup> *Building Leaders*. Jay A. Conger, Beth Benjamin; Jossey-Bass, 1999.

- Ensuring that there is a compelling rationale for change that will motivate people to the change
- Making resources available and clearing blockages
- Demonstrating commitment and energy to the project
- Ensuring that the change is given a clear priority in relation to the ongoing business plan and that it is seen as a priority by relevant people
- Enrolling and developing their own management team
- Modeling new behavior and ways of working
- Increasing visibility and availability in order to answer questions, tell a compelling story, and keep stakeholders on board
- Celebrating and publicizing the change.

The business benefits from a change program are often not enough to obtain employee commitment. It is the task of change leaders to impart the change vision to their people in a way that is seen as both a compelling need and operationally essential. They also must convey that everyone, including themselves, is affected by the change. They must acknowledge the human element that will be involved—stress, fear, resistance, and concern over long-term security.

Our observation is that change leadership is a skill that most executives can further develop. In any change project it is unlikely that all leadership team members will have the resolve or skills at the start. Our recommendation is that hand in hand with the DHRM we assess the leadership skills and behaviors of those agencies forecast to be in the vanguard of the VEAA Initiative, identify skill gaps, and draw up individual development plans.

#### **9.5.2.2.4 Implementation planning**

In close collaboration with the other project teams, the design team will align the change management activities with the systems and technology implementation efforts. Part of the governance monitoring, evaluation, and quality assurance process will make certain that there is seamless interaction between the various teams working on the VEAA Initiative—in order to keep staffs motivated and involved during the change while continuing to deliver in their “day jobs” during implementation.

### **9.5.2.3 Stage 3: Implementation**

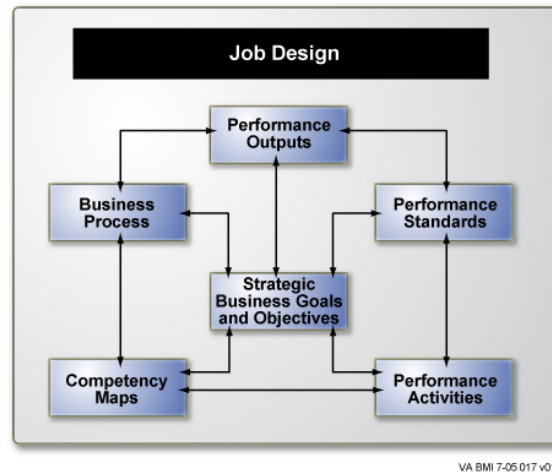
#### **9.5.2.3.1 Job Design**

Our experience and best practices from other reengineering efforts show that proper job design is essential to the future effectiveness of agencies undergoing reengineering and re-solutioning. When the business strategy confirms change (as with the VEAA Initiative) there will be resulting changes in business processes, performance activities, performance outputs and standards, and workforce competency. All of these changes mean that job design and redesign will likely need to take place, because it is a fundamental activity to maximize performance in a changed situation. (Exhibit 9-27 illustrates the relationship between the elements).





**Exhibit 9-27 Elements Contributing to Job Design**



As part of the implementation of new processes and consolidated enterprise systems, we will follow the Commonwealth's lead in designing or redesigning positions to combine logical and consistent duties and responsibilities into an orderly, efficient, and output-driven organization. In this sensitive arena, we will work under the direction of the Commonwealth's human resource management staffs. Their knowledge of timing, content, and impact of any suggested changes in job descriptions, career paths, and succession planning will be the obvious backbone of our recommendations, timeline, and success measures.

Generally speaking, Team CGI-AMS'S approach to job design is to:

- Plan positions so that there are logical entrance levels and career patterns for employees to move to more skilled and higher graded positions
- Introduce or reengineer sound position management strategies to enable qualified personnel to occupy positions
- Identify where training and development of current staff may be required to meet future staffing requirements.

The VEAA Initiative offers great potential to build on the Commonwealth workforce's existing skills, knowledge, and experience, enabling the state to offer people exciting positions—and equip them with the skills and capability to perform highly in them.

**"In the context of a given strategy, what organizational structure will best channel the right information to the right people in the right sequence?"<sup>11</sup>**

#### 9.5.2.3.2 Structure

Where the project demands it, work will be planned and carried out under the direction of DHRM to support changes in organizational structure, including reporting structures, management layers, communication, and decision making between different parts of the enterprise, workforce profile, and so on. The cross-organizational team will work with agencies and DHRM to determine the structures right for them and for the Commonwealth as a whole.

<sup>11</sup> *Champions of Change*. David A. Nadler; Jossey-Bass, 1998.

**"One of the keys to success in improving organizational performance is to make certain that reward plans reinforce the desired culture, or at least attempt to reduce the gap between the existing and desired culture."<sup>12</sup>**

#### 9.5.2.3.3 Skills and Training

VEAA Initiative success is rooted in having the right employees in the right place at the right time. This means designing and delivering appropriate training, bearing in mind that training is only one element of getting the right "size and shape" of the workforce for program success. Determining training requirements is an outcome of workforce planning.

Workforce planning is a key activity in the Commonwealth's Department of Human Resource Management. The *2004-2005 State Workforce Planning Report* notes that:

*Workforce planning is not a new concept. In fact, it is an integral part of any organization's management of its human resources. Workforce planning is an effort to coordinate human resource management programs so that they support the strategic goals of the organization. Programs such as job evaluation, compensation management, performance management, training and development, and recruitment are all components of a successful workforce planning effort. The focus of workforce planning is on current staffing issues as well as anticipated. The process involves assessing the current workforce in terms of whether or not its size is adequate, whether it is deployed effectively, and whether employees' competencies support high performance.<sup>13</sup>*

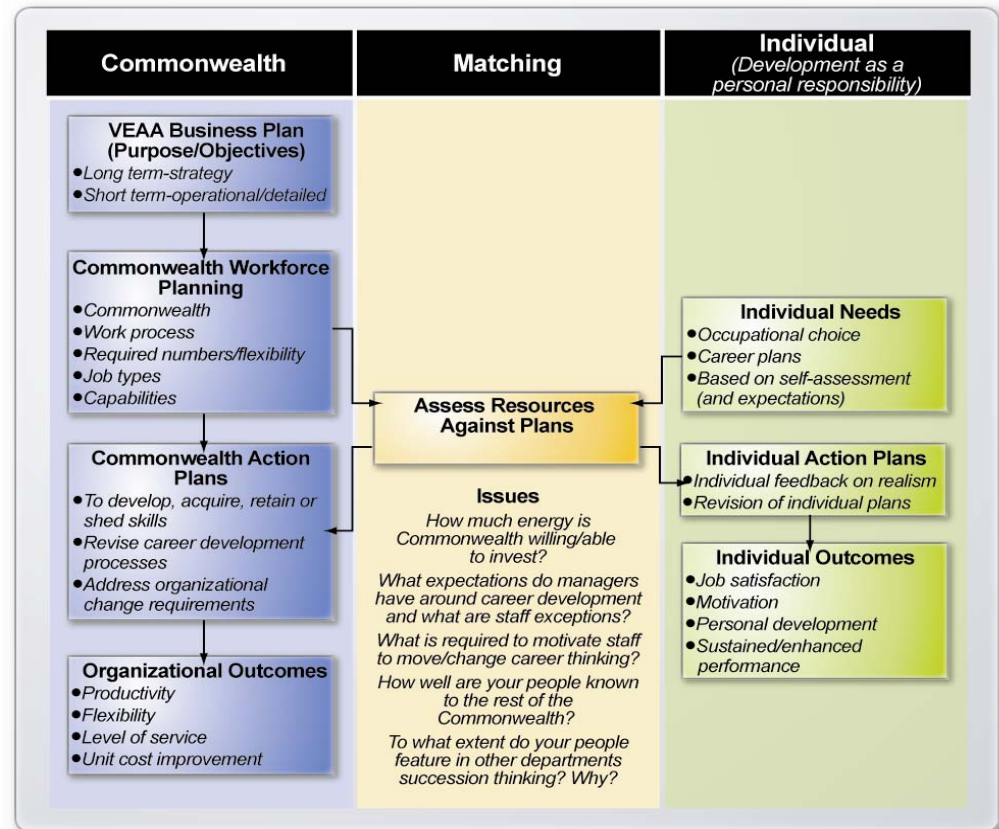
Exhibit 9-28 illustrates the process that will match people to jobs in the event that the VEAA Initiative starts to change the way work is done in the Commonwealth (resulting in different job designs, skills, and capability requirements).

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<sup>12</sup> *Rewarding Teams*. Glenn M. Parker, Jerry McAdams, David Zielinski; Jossey-Bass, 2000.

<sup>13</sup> *2004-2005 State Workforce Planning Report*. Commonwealth of Virginia, Department of Human Resource Management, September 30, 2004.

**Exhibit 9-28 Matching People and Jobs**



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Because the impact of the VEAA Initiative is only one aspect of an entire workforce plan, the change management team will work closely with members of the Department of Human Resource Management to plan appropriate Initiative-based training within the broader Commonwealth workforce planning context.

Having said this, our experience in large scale initiatives tells us that training must be developed in three topic areas to achieve the goal of a capable and motivated high performing workforce:

- **Training related to going through the change process itself.** Employees impacted by the VEAA Initiative will be in the front line of the change process, thus they will have to know how to contribute to the change as effectively as possible, and they will need to know how to work within changing circumstances.
- **Training related to the technology.** Employees must understand the way new systems operate and the technical aspects of doing work with different equipment or different interfaces.
- **Training related to the business process when it has been re-engineered or re-solutioned.** If the nature of employees' activities and responsibilities changes, they are likely to have to acquire new expertise in the way they actually fulfill their role or do their jobs.

Within these three areas, the training will be tailored to specific stakeholder groups and offered through appropriately chosen media (for example, coaching, e-learning, face to face instruction, self-paced learning, on-the-job training). To assist in our design choices, we will work with DHRM to leverage their experience of custom training and diverse delivery channels. We recognize specific conditions that will influence our choice of training design and methods:

- Training and development programs related to the VEAA must work to “establish collaborative relationships that pool statewide resources in order to deliver training to more employees at a reduced cost through a Learning Management System.”
- The average current state employee has a high level of skill and experience. Their knowledge of the way the Commonwealth operates is crucial to use in designing and delivering meaningful and relevant training.
- Training and development costs are often discretionary, so training efforts may be limited in some agencies as a result of budget reductions.
- Staffing shortages mean many Commonwealth employees are overextended. This limits time that can be spent on activities that are not essential to day-to-day productivity.

Given the Commonwealth context and environment, our training designs will embed the following four principles:

- **User experience-based.** In many technology implementations, design engineers are told what the system is supposed to accomplish but they rarely work closely enough with the end users to find out what the key decisions are that the system must help the user make, or the types of rules of thumb the user is likely to use. Thus, technology training typically focuses on systems and procedures rather than on the ‘tricks of the trade’ and ‘rules of thumb’ that keep work flowing.
- **Linked to the overall business strategy and workforce planning process.** Where we can, we will target our training in a way that reduces some of the gaps identified in the 2004-2005 Workforce Planning Report.
- **Time efficient, available in a diversity of formats, cost effective, and supportive of collaboration.**
- **Builds from employees’ current strengths.** When we use employee knowledge of their customers, insights into Commonwealth culture, and history of how work gets done, it gives employees the capability and motivation to be high-performing under their new conditions.

#### 9.5.2.3.4 *Culture*

The vision determined by the Council on Virginia’s Future and for the VEAA Initiative implies a whole Commonwealth culture. The reality is that not only does each agency reflect aspects of a Commonwealth culture, it has its own unique culture and also one that overlaps with other agencies. The CGI-AMS Team is experienced in using an Organizational Culture Assessment to honor the various cultures that exist. We recommend this to help agencies (individually and collectively) determine the gap between their current culture and the culture required to deliver the VEAA Initiative successfully. The quality assurance process within the Program Management Office will make certain that change

management activities help create the desired cultures within and across agencies.

#### 9.5.2.3.5 *Human Resources Policies for Performance Management*

One of the reasons for lack of success in many implementations is that HR systems and processes fail to keep pace with the scale and implications of the change. In our experience, human resources plans, policies, and systems must support the strategy that the organization is pursuing. Alongside the Commonwealth's HR professionals we will identify and develop the HR policies, processes, and procedures that support and reinforce the VEAA Initiative implementation and outcome success. As projects gather speed, we will gather best practice, learn from our experience, enhance reinforcement through HR systems, and improve on a continuing basis.

From our significant experience working the federal and state spaces, Team CGI-AMS is well aware of the issues around rewards and incentives for performance. However, we also know that the Commonwealth has taken an innovative approach to non-compensation incentives and we applaud this initiative. Our recommendation is that that we, alongside DHRM, continue to think creatively about the rewards and incentives we could put into play to support VEAA Initiative success.

Following several years of research and planning by the Commission on Reform of the Classified Compensation Plan, the 2000 Virginia General Assembly passed legislation, and the Governor signed into law, a sweeping revision of the state's 40 year-old employee compensation system. The new performance-based compensation plan is modeled after best practices being used by major corporations and governmental entities on the national, state, and local levels.

With the non-compensation incentives and performance-based compensation plan as tools that the Commonwealth already possesses and could use, the Commonwealth already has the means to creatively use a range of reward and recognition elements that could encourage and develop stakeholder engagement in the VEEA Initiative.

**"You can never get employees to adopt new behaviors if you continue to measure and reward them on the basis of the old behaviors. This simple truth has defeated many a company's renewal or transformation program."<sup>14</sup>**

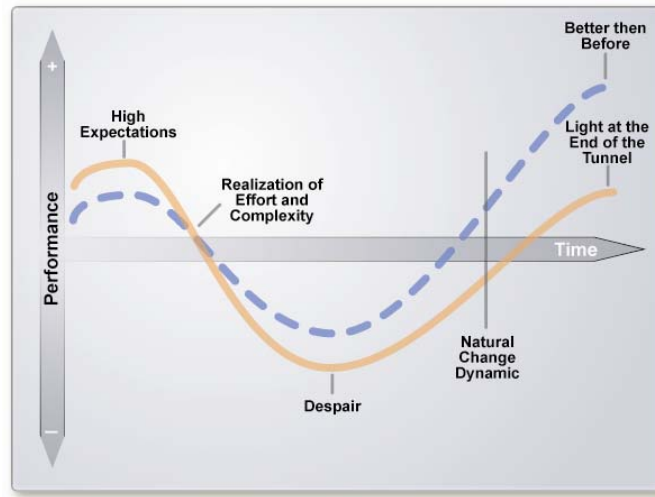
#### 9.5.2.3.6 *Monitoring and follow up*

Change management activities planned, designed, and implemented to move people from a current to a desired state bring a certain level of risk. People have emotional reactions to changes, as illustrated in Exhibit 9-29. These emotions may affect motivation and work performance. Staff reactions to change constitute a significant risk to a large project. Risks are increased if the plan does not deliver the intended benefit, if the transition to the new state disrupts normal business operation, or if relationships are fractured or broken as a result of the change. We will monitor the impacts of change and work in line with the larger project risk management program to respond.

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<sup>14</sup> *The Knowledge-Enabled Organization*. Daniel R. Tobin; Amacom, 1998.

**Exhibit 9-29 Emotional Responses to Change**



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#### 9.5.2.4 Stage 4: Institutionalization

We will undertake regular reviews within the project management protocols to verify and validate that the change management activities are delivering what was intended. As any early warning symptoms appear, we will take steps to keep the change on track. Regular reviews will yield information and knowledge that can be shared and used to spread success stories and good practices, develop common values, and promote consistent approaches. (This theme is developed in 9.5.2.2.2, in the Knowledge Marketplace discussion).

Additionally, we will work with the Commonwealth to support employees who are reassigned to new work, as the enterprise modernizes and their former functions are performed differently.

#### 9.5.3 Summary

The preceding sections have outlined our approach to Change Management for People. In order to help the Commonwealth make sensible business cases for change and decide on project prioritization, design, and implementation, Team CGI-AMS will work closely with the Commonwealth to do the following:

- Develop initial change readiness assessments that will identify where initiative are most likely to work well from the start. This will be followed by designing a change management plan, implementing the plan, and institutionalizing it.
- Seek leadership support and endorsement for the initiatives.
- Appropriately engage key stakeholders in the four phases of change.
- Partner with the Commonwealth in providing sufficient training and skill development.
- Help the Commonwealth align supporting organizational processes (such as reward and recognition).
- Design and deliver a stakeholder assessment and communications plans.